Deloitte
Haskins & Sells

Chartered Accountants
ASV N Ramana Tower
52, Venkatnarayana Road
T. Nagar
Chennai - 600 017
Tamil Nadu, India

Tel: +91 44 6688 5000
Fax: +91 44 6688 5050

INDEPENDENT AUDITOR'S REPORT

To The Members of Allsec Technologies Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Allsec Technologies Limited** ("the Parent" or "the Company") and its subsidiaries, (the Parent / Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition** Revenue from contracts with customers for the year ended March 31, 2020 is ₹ 29,444 lakhs. Revenues from such contracts is recognised and measured based on (1) efforts incurred multiplied by agreed rate in the contract with customers and or (2) the unit of work delivered multiplied by agreed rate in the contract with customers. These contracts are subject to revision periodically for (1) rate agreed; (2) efforts due to deployment of additional resources and/ or (3) rate and efforts as more fully described above. Revenue is recognised only based on customer acceptances for delivery of work. Given the periodical changes to contracts with customers, there is significant audit effort to ensure that revenue is recorded based on (1) contractual terms which are legally enforceable and (2) the work delivered is duly acknowledged by the customer.	**Principal audit procedures performed**: We understood and evaluated the Company's process for recording and measuring revenues and compared that to the Company's accounting policies to ensure consistency. We tested the effectiveness of controls over (1) enforceability of contracts including inspecting that key terms in the contracts are agreed with customers and (2) revenue is recognised only based on agreed terms and customer acceptances for work delivered. For a sample of contracts, we performed the following procedures: We tested that revenue recognised for new contracts and revision to existing contracts was based on contractual terms agreed with customers multiplied by efforts or unit of work delivered duly acknowledged by customer. We tested unbilled revenues at year end by comparing subsequent invoicing to customer acknowledgement for delivery of service.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Board of Directors report (but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report, and the Annual report is expected to be made available to us after that date.

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

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent/ Holding 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 the 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements / financial information of three subsidiaries, whose financial statements / financial information reflect total assets of ₹11,752 Lakhs as at 31 March 2020, total revenues of ₹11,055 Lakhs and net cash inflows amounting to ₹3,096 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31 March 2020 taken on record by the Board of Directors of the Company none of the directors of the Company, is disqualified as on 31 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Company.

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, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent/ Holding 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 Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

   ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 0080272S)

Manish

C Manish Muralidhar
Partner
(Membership No. 213649)
Unique Identification Number: 20213649AAAACX5814

Place: Hyderabad
Date: 18 May 2020

MM/RB/2020/18D

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of Allsec Technologies Limited (hereinafter referred to as "Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, 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 the Parent'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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent'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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Parent's internal financial controls system over financial reporting.

Deloitte Haskins & Sells

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent 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 31 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 Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

Manish

C Manish Muralidhar
Partner
(Membership No. 213649)
Unique Identification Number: 20213649AAAACX5814

Place: Hyderabad
Date: 18 May 2020

MM/RB/2020/18D

Allsec Technologies Limited
Consolidated Balance Sheet as at 31 March 2020
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

	Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
A	ASSETS			
I	Non-current assets			
	(a) Property, plant and equipment	3	880	1,073
	(b) Other intangible assets	3	318	298
	(c) Intangible assets under development		15	-
	(d) Right of use asset (ROUA)	26	1,727	-
	(e) Financial assets			
	(i) Other financial assets	5	659	571
	(f) Deferred tax assets	25.2	1,744	1,441
	(g) Non current tax assets (net)	6	1,347	870
	(h) Other non-current assets	7	5	-
	Total non-current assets		6,695	4,203
II	Current assets			
	(a) Financial assets			
	(i) Investments	4	3,339	8,739
	(ii) Trade receivables	8	4,507	3,547
	(iii) Cash and cash equivalents	9	12,420	7,164
	(iv) Bank balances other than cash and cash equivalents	10	135	33
	(v) Other financial assets	5	1,382	1,101
	(b) Other current assets	7	441	733
	Total current assets		22,224	20,317
	TOTAL ASSETS (I+II)		28,919	24,520
B	EQUITY AND LIABILITIES			
III	Equity			
	(a) Equity share capital	11	1,524	1,524
	(b) Other equity	12	21,283	20,255
	Total equity		22,807	21,779
IV	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	13	18	45
	(ii) Lease liabilities	26	1,311	-
	(iii) Other financial liabilities	14	-	19
	(b) Provisions	15	449	322
	Total non-current liabilities		1,778	386
V	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	16		
	(a) Total outstanding dues of micro enterprises and small enterprises			-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,463	1,250
	(ii) Lease liabilities	26	1,013	
	(iii) Other financial liabilities	14	103	29
	(b) Other current liabilities	17	350	489
	(c) Provisions	15	262	456
	(d) Current tax liabilities (net)	18	143	131
	Total current liabilities		4,334	2,355
	TOTAL LIABILITIES (IV + V)		6,112	2,741
	TOTAL EQUITY AND LIABILITIES		28,919	24,520

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached
for Deloitte Haskins & Sells
Chartered Accountants

C Manish Muralidhar
Partner

Place : Hyderabad
Date : 18 May 2020

For and on behalf of the Board of Directors of
Allsec Technologies Limited

Ajit Abraham Isaac
Chairman

Place : Bengaluru
Date : 18 May 2020

Suraj Krishna Moraje
Director

Place : Bengaluru
Date : 18 May 2020

Ashish Sohi
Chief Executive Officer

Place : Chennai
Date : 18 May 2020

Natraj Lakshmipathy
Chief Financial Officer

Place : Chennai
Date : 18 May 2020

Gagan Preet Singh
Company Secretary

Place : Chennai
Date : 18 May 2020

Allsec Technologies Limited

Consolidated Statement of profit and loss for the year ended 31 March 2020

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

	Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019
I	Revenue from operations	19	29,444	26,116
II	Other income	20	409	742
III	Total income (I+II)		29,853	26,858
IV	Expenses			
	Employee benefits expense	21	17,073	13,888
	Finance costs	22	726	49
	Depreciation and amortisation expense	3	1,590	476
	Other expenses	23	4,844	8,315
	Total expenses		24,133	22,728
V	Profit before exceptional items and tax (III-IV)		5,720	4,130
VI	Exceptional items			
	Provision for impairment of goodwill	37	-	1,247
VII	Profit before tax		5,720	2,883
VIII	Tax expense			
	Current tax	25.1	1,200	1,142
	Deferred tax	25.2	27	174
			1,227	1,316
IX	Profit for the year		4,493	1,567
X	Other comprehensive income:			
	Items that will not be reclassified to profit or loss			
	Remeasurement of the defined benefit liability - loss		(149)	(53)
	Income tax relating to above items		51	18
			(98)	(35)
	Items that will be reclassified subsequently to profit or loss			
	Exchange differences on translation of foreign operations		893	415
			893	415
	Total other comprehensive income for the year		795	380
XI	Total comprehensive income for the year		5,288	1,947
	Profit for the year attributable to			
	Equity holders of the company		4,493	1,567
	Non-controlling interest		-	-
	Other comprehensive income attributable to			
	Equity holders of the company		795	380
	Non-controlling interest		-	-
	Total comprehensive income for the year attributable to			
	Equity holders of the company		5,288	1,947
	Non-controlling interest		-	-
XII	Earnings per equity share (Face value of ₹ 10 each)	28		
	(a) Basic (in ₹)		29.48	10.28
	(b) Diluted (in ₹)		29.48	10.28

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached
for Deloitte Haskins & Sells
Chartered Accountants

C Manish Muralidhar
Partner

Place : Hyderabad
Date : 18 May 2020

For and on behalf of the Board of Directors of
Allsec Technologies Limited

AJR Abraham Isaac
Chairman

Place : Bengaluru
Date : 18 May 2020

Suraj Krishna Moraje
Director

Place : Bengaluru
Date : 18 May 2020

Ashish Johri
Chief Executive Officer

Place : Chennai
Date : 18 May 2020

Nataraj Lakshmipathy
Chief Financial Officer

Place : Chennai
Date : 18 May 2020

Gagan Preet Singh
Company Secretary

Place : Chennai
Date : 18 May 2020

Allsec Technologies Limited
Consolidated Cash Flow Statement for the year ended 31 March 2020
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flow from operating activities		
Profit before tax	5,720	2,883
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	1,990	526
Unrealized foreign exchange loss/(gain)	251	(72)
Provision for impairment of goodwill	-	1,247
Profit / (Loss) on sale of property, plant and equipment (net)	(2)	9
Provision for loss allowances	16	7
Finance costs	226	49
Net gain on current investments	(357)	(570)
Interest Income		
- on fixed deposits	(11)	(2)
- income tax refund	-	(61)
Dividend income	-	(1)
Operating Profit before Working Capital and Other Changes	**7,833**	**4,015**
Working capital adjustments:		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	(270)	733
Other financial assets	76	(599)
Other assets	(3)	294
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	1,153	96
Other financial liabilities	(495)	(370)
Other liabilities	(251)	(856)
Provisions	(167)	(19)
Cash Generated from Operations	**7,876**	**3,294**
Net income tax paid	(1,667)	(1,277)
Net cash generated from operating activities (A)	**6,209**	**2,017**
B. Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(311)	(675)
Proceeds from sale of property, plant and equipment	19	5
Consideration towards business acquisition	(1,680)	-
Sale /(Purchase) of current investments (net)	4,543	(372)
Interest received on fixed deposits	35	2
Dividend income	-	1
Net Cash Flow From / (Used In) Investing Activities (B)	**2,606**	**(1,039)**
C. Cash Flow Used in Financing Activities		
Borrowings taken		13
Repayment of borrowings	(1,379)	(37)
Interest paid	(225)	(49)
Dividend paid (including dividend distribution tax)	(1,831)	(918)
Net Cash Flow used in Financing Activities (C)	**(3,435)**	**(991)**

Allsec Technologies Limited
Consolidated **Cash Flow Statement for the year ended 31 March 2020**
(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net increase / (decrease) in cash and cash equivalents	5,379	(13)
Cash taken over on business acquisition	130	-
Effect of exchange differences on cash & cash equivalents held in foreign currency	(253)	557
Cash and cash equivalents at the beginning of the year	7,164	6,620
Cash and cash equivalents at the end of the year	12,420	7,164
Components of cash and cash equivalents (Refer Note 9)		
Cash on hand	5	4
Balance with banks in current accounts	12,415	7,160
Total cash and cash equivalents	12,420	7,164

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

C Manish Muralidhar
Partner

Place : Hyderabad
Date : 18 May 2020

For and on behalf of the Board of Directors of
Allsec Technologies Limited

Ajit Abraham Isaac
Chairman

Place : Bengaluru
Date : 18 May 2020

Saraj Krishna Moraje
Director

Place : Bengaluru
Date : 18 May 2020

Ashish Johri
Chief Executive Officer

Place : Chennai
Date : 18 May 2020

Nataraj Lakshmipathy
Chief Financial Officer

Place : Chennai
Date : 18 May 2020

Gagan Preet Singh
Company Secretary

Place : Chennai
Date : 18 May 2020

Allsec Technologies Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2020
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

A. Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	1,524	1,524
Changes in equity share capital during the year	-	-
Closing Balance	1,524	1,524

B. Other equity

	Reserves and Surplus				Other reserves	
	General reserve	Retained earnings	Capital reserve	Securities premium	Foreign currency translation reserve	Total
Balances at 01 April 2018	1,413	5,993	251	12,019	(447)	19,229
Dividends	-	(762)	-	-	-	(762)
Dividend distribution tax	-	(158)	-	-	-	(158)
Profit for the year	-	1,567	-	-	-	1,567
Exchange differences on translation of foreign operations	-	-	-	-	415	415
Remeasurement of defined benefits plan (net of taxes)	-	(35)	-	-	-	(35)
Balance at 31 March 2019	1,413	6,605	251	12,019	(32)	20,255
Dividends	-	(1,524)	-	-	-	(1,524)
Dividend distribution tax	-	(310)	-	-	-	(310)
Profit for the year	-	4,493	-		-	4,493
Business combination reserve (Refer Note 39)	-	-	(2,426)	-	-	(2,426)
Remeasurement of defined benefits plan (net of taxes)	-	(98)	-	-	-	(98)
Exchange differences on translation of foreign operations	-	-	-	-	893	893
Balance at 31 March 2020	1,413	9,165	(2,175)	12,019	861	21,283

See accompanying notes forming part of the Consolidated Financial Statement

For Deloitte Haskins & Sells
Chartered Accountants

C Manish Muralidhar
Partner

Place : Hyderabad
Date : 18 May 2020

For and on behalf of the Board of Directors
Allsec Technologies Limited

Ajit Abraham Isaac
Chairman

Place : Bengaluru
Date : 18 May 2020

Saroj Krishna Moraje
Director

Place : Bengaluru
Date : 18 May 2020

Ashish Johri
Chief Executive Officer

Place : Chennai
Date : 18 May 2020

Nataraj Lakshmipathy
Chief Financial Officer

Place : Chennai
Date : 18 May 2020

Gagan Preet Singh
Company Secretary

Place : Chennai
Date : 18 May 2020

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

1 General Information

Allsec Technologies Limited ('Allsec' or the 'Company') was incorporated on 24 August 1998. The Company is engaged in the business of providing Customer Lifecycle Management (CLM) and Human Resource Outsourcing (HRO) services for customers located in India and outside India. The services provided by the Company include data verification, processing of orders received through telephone calls, telemarketing, monitoring quality of calls of other call centers, customer services and HR and payroll processing. The Company has delivery centers at Chennai, Bengaluru and NCR. The Company, together with it subsidiaries is hereinafter referred to as "the Group".

Basis of Consolidation

The financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of subsidiaries are consolidated on a line by line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group.

S.No	Name of the Subsidiary	Country of Incorporation	Relationship	Effective Ownership Interest as at 31 March 2020	Effective Ownership Interest as at 31 March 2019
1	Allsectech Manila Inc	Philippines	Subsidiary	100%	100%
2	Allsectech Inc., USA	USA	Subsidiary	100%	100%
2	Retreat Capital Management Inc., USA	USA	Subsidiary	100%	100%

2 Summary of significant accounting policies

Statement of Compliance

The special purpose condensed financial statements have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

2.1 Basis of preparation of financial statements

These 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 accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
(iii) Level 3 inputs are unobservable inputs for the asset or liability.

2.2 Use of estimates

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Examples of such estimates include provision for doubtful debts/advances, provision for employee benefits, useful lives of fixed assets, provision for taxation, provision for contingencies etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised and/or in future years, as applicable.

2.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand, balances with banks in current accounts and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

2.5 Revenue from contracts with customers

The Group derives revenues primarily from services comprising the CLM and HRO services for customer in India and outside India. Effective 01 April 2018, the Group has adopted Ind AS 115, Revenue from Contracts with Customers, using modified retrospective method, applied to contracts that were not completed as at 01 April 2018. In accordance with modified retrospective method, the comparatives has not been retrospectively adjusted. The following is a summary of the significant accounting policies related to revenue recognition.

To determine whether to recognise revenue from contracts with customers, the Group follows a 5-step process:
1 Identifying the contract with customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations
5 Recognising revenue when/as performance obligation(s) are satisfied.
Revenue from contracts with customers is recognised upon transfer of control of promised products or services to the customer at an amount that reflects the consideration the group expects to receive in exchange for those products or services. Agreements with customers are either on a fixed price, fixed time frame or on a time- and - material basis.

Revenue on time-and-material basis contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to the measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

In arrangements for one time services, the Group has applied the guidance in Ind AS 115, *Revenue from Contracts with Customers*, by applying the revenue recognition criteria for each distinct performance obligation. The contracts with customers generally meet the criteria for considering the principal service and one-time service as distinct performance obligations and consideration for the each of such service is clearly specified in the contract, that enables to arrive at the transaction price for each performance obligations which is best evidence of its standalone selling price.

2.6 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive the payment has been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.7 Property, plant and equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment loss (if any). The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates and includes taxes, duties, freight, incidental expenses related to the acquisition and installation of the assets concerned and is net of Goods and Service Tax (GST), wherever the credit is availed. Borrowing costs paid during the period of construction in respect of borrowed funds pertaining to construction / acquisition of qualifying property, plant and equipment is adjusted to the carrying cost of the underlying property, plant and equipment.

Any part or components of Property, Plant and Equipment which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalised separately, based on the technical assessment of the management.

Cost of modifications that enhance the operating performance or extend the useful life of Property, Plant and Equipment are also capitalised, where there is a certainty of deriving future economic benefits from the use of such assets.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as "Capital Advances" under Other Non Current Assets and cost of Property, Plant and Equipment not ready to use before such date are disclosed under "Capital Work- in- Progress".

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The management, basis its past experience and technical assessment, has estimated the useful life in order to reflect the actual usage of the assets. The estimated useful lives of assets are as follows:

Asset Description	Useful lives followed by Company (Years)	Useful lives prescribed under Schedule II to the Companies Act, 2013
Computers and servers	3 - 10	3
Call centre equipment	3 - 10	15
Furniture and fixtures	3 - 10	10
Office Equipment	5	5
Vehicles – Motor cars	5-5	8

Leasehold improvements are amortised over the estimated useful lives or the remaining primary lease period (3 – 4 years), whichever is less.

The estimated useful lives mentioned above are different from the useful lives specified for certain categories of these assets, where applicable, as per the Schedule II of the Companies Act, 2013. The estimated useful lives followed in respect of these assets are based on Management's assessment and technical advice, taking into account factors such as the nature of the assets, the estimated usage pattern of the assets, the operating conditions, past history of replacement, anticipated technological changes and maintenance support etc.

Depreciation is accelerated on property, plant and equipment, based on their condition, usability etc., as per the technical estimates of the Management, where necessary.

Derecognition of Property, Plant and Equipment:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

2.8 Other intangible assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortisation

Intangible assets are amortised on a straight line basis over the estimated useful economic life. Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software of 4 years, or over the license period of the software, whichever is shorter.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.9 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.10 Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases with effect from 1 April 2019. The standard primarily requires the Group, as a lessee, to recognize, at the commencement of the lease a right-of-use asset and a lease liability (representing present value of unpaid lease payments). Such right-of use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance cost subject to certain re-measurement adjustments. The Group has adopted this standard using modified retrospective method effective 1 April 2019, and accordingly, the comparatives have not been restated retrospectively. In the Statement of Profit and Loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. Further transition adjustments, if any, arising from refinements or authoritative interpretation guidance will be prospectively recognized.

2.11 Foreign currency Transactions

Initial Recognition:
On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition:
As at the reporting date, non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Treatment of Exchange Differences:
All monetary assets and liabilities in foreign currency are restated at the end of accounting period at the closing exchange rate and exchange differences on restatement of all monetary items are recognized in the Statement of Profit and Loss.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

2.12.1 Financial Assets

(a) Recognition and initial measurement

(i) The Group initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:
• The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy in financial assets measured at amortized cost, refer Note 2.12.e

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognized at FVTPL:

• The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.
Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previous accumulated in this reserve is reclassified to profit or loss.

For the impairment policy in financial assets measured at amortised cost, refer Note 2.12.e

All other financial assets are subsequently measured at fair value.

(c) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.

(d) Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the group, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(e) Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.
If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

(f) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(g) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.
• For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.
• For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.12.2 Financial Liabilities and Equity Instruments

(a) Classification as debt or equity
Debt and equity instruments issued by the group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(c) Financial Liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

(d) Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

• It has been incurred principally for the purpose of repurchasing it in the near term; or
• on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
• It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
• the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
• It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

(e) Other financial liabilities
Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The Group enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for capital expenditure. The banks and financial institutions are subsequently repaid by the Group at a later date. These are normally settled up to 3 months (for capital expenditure). These arrangements for raw materials are recognized as Acceptances (under trade payables) and the arrangements for capital expenditure are recognised as other financial liabilities.

(f) Financial guarantee contracts
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified parties fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by an entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

• the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
• the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of
Ind AS 18.

(g) Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

(h) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Forward contracts
The group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to probable forecast transactions. Such forward contracts are initially recognized at fair value on the date on which the contract is entered into and subsequently re-measured at fair value. These forward contracts are stated at fair value at each reporting date and these changes in fair value of these forward contract is recognized in statement of profit or loss. At each reporting date the net balance after fair valuation is shown as part as of other financial asset or liability.

2.13 Employee Benefits
Retirement benefit costs and termination benefits:

Defined Benefit Plans:

Employee defined benefit plans include gratuity.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:
- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

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

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

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

The Group makes contribution to a scheme administered by the insurer to discharge gratuity liabilities to the employees.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees upto the reporting date.

Defined Contribution Plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset). If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Group reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Group reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.70.

Employee defined contribution plans include provident fund and Employee state insurance. All employees of the Company receive benefits from Provident Fund and Employee's State Insurance, which are defined contribution plans. Both, the employee and the Company make monthly contributions to the plan, each equalling to a specified percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributes to the Employee Provident Fund and Employee's State Insurance scheme maintained by the Central Government of India and the contribution thereof is charged to the Statement of Profit and Loss in the year in which the services are rendered by the employees.

2.14 Earnings per equity share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.15 Taxation

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

MAT Credit Entitlement:

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset, in accordance with the provisions contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current and deferred tax for the period :

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

2.16 Contingent liabilities, Contingent Assets and Provisions

Provisions are recognized when the Company has a present obligation (legal/ constructive) as a result of past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2.17 Segment Reporting

Operating segments reflect the Group's management structure and the way the financial information is regularly reviewed by the Group's Chief operating decision maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.18 Goods and ServiceTax Input Credit

Goods and service tax input credit is accounted for in the books during the period when the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

2.19 Insurance Claims

Insurance claims are accrued for on the basis of claims admitted / expected to be admitted and to the extent there is no uncertainty in receiving the claims.

2.20 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.21 Operating Cycle

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

- Useful lives of Property, plant and equipment and intangible assets
- Evaluation of Impairment indicators and assessment of recoverable value
- Provision for taxation
- Provision for disputed matters
- Allowance for Expected Credit Loss
- Fair value of financial assets and liabilities
- Assets and obligations relating to employee benefits

Determination of functional and presentation currency:

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupees (₹), the national currency of India, which is the functional currency of the Group. All the financial information have been presented in Indian Rupees except for share data and as otherwise stated.

Allsec Technologies Limited
Summary of significant accounting policies and other explanatory information
(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

3 Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment							Other Intangible assets - Computer software
	Computers and servers	Call centre equipment	Furniture and fittings	Office equipment	Vehicles	Leasehold improvements	Total	
Gross block								
Balance as at 01 April 2018	**435**	**387**	**198**	**206**	**329**	**178**	**1,733**	**438**
Additions	234	146	35	45	13	8	481	193
Disposals	-	-	(21)	(1)	(10)	-	(32)	-
Foreign exchange fluctuation	11	-	-	-	-	-	11	-
Balance as at 31 March 2019	**680**	**533**	**212**	**250**	**332**	**186**	**2,193**	**631**
Additions	165	18	33	45	-	5	266	122
Assets acquired as part of business combination	24	-	1	7	-	1	33	-
Disposals	-	-	-	(1)	(108)	-	(109)	(7)
Foreign exchange fluctuation	25	-	-	-	-	-	25	-
Balance as at 31 March 2020	**894**	**551**	**246**	**301**	**224**	**192**	**2,408**	**746**
Accumulated depreciation/amortisation and impairment								
Balance as at 01 April 2018	**141**	**187**	**166**	**64**	**75**	**136**	**769**	**227**
Depreciation/amortisation expense for the year	198	88	18	34	59	13	420	106
Provision for Impairment	-	-	-	-	-	-	-	-
Reversal on sale of assets	-	-	(18)	-	-	-	(18)	-
Foreign exchange fluctuation	(1)	-	-	-	-	-	(1)	-
Balance as at 31 March 2019	**338**	**275**	**166**	**98**	**144**	**149**	**1,170**	**333**
Depreciation/amortisation expense for the year	220	88	17	44	65	15	449	102
Reversal on sale of assets	-	-	-	(1)	(91)	-	(92)	(7)
Foreign exchange fluctuation	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	**558**	**363**	**183**	**141**	**119**	**164**	**1,528**	**428**
Net block								
Balance as at 31 March 2019	342	258	46	152	188	37	1,023	298
Balance as at 31 March 2020	336	188	63	160	105	28	880	318

Note:
1. Depreciation and amortisation expense:

Particulars	For the year ended 31 March 2020
Depreciation of Property, Plant and Equipment	449
Amortisation of Other intangible assets	102
Depreciation of Right of use asset (Refer Note 26(c))	1,439
Total	1,990

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

4 Investments

Particulars		As at 31 March 2020	As at 31 March 2019
Current (Quoted)			
Investments carried at fair value through profit and loss			
Investment in mutual funds		3,339	8,239
Total current investments	Total	**3,339**	**8,239**
Aggregate amount of quoted investments and market value thereof		3,339	8,239
Aggregate book value of investments		3,339	8,239
Aggregate amount of impairment in the value of investments		-	-

Details of investment in mutual funds

Name of Mutual fund	Number of Units* As At 31 March 2020	Number of Units* As At 31 March 2019	Carrying Value As At 31 March 2020	Carrying Value As At 31 March 2019
Hdfc Floating Rate Debt Fund - WS - Regular plan- Growth	13,38,486	31,12,513	470	1,012
Hdfc Money Market Fund - RP - Growth	10,186	-	425	-
ICICI Prudential Savings Fund - Growth	1,07,765	2,85,766	417	1,025
Kotak Money Market Scheme - Growth	13,436	36,915	443	1,135
Kotak Liquid - RP - Growth	14,607		584	-
Baroda Liquid Fund - Plan B Growth	18,904	36,911	433	794
UTI Liquid Cash Plan - Regular Growth Plan	4,399	34,705	142	1,060
UTI Money Market Fund - RP - Growth	18,838		424	-
Aditya Birla Sun Life Savings fund- Growth- Regular Plan	-	2,09,315	-	772
Aditya Birla Sun Life Liquid fund- Growth- Regular Plan	-	1,19,186	-	356
ICICI Prudential Short term Fund - Growth option	-	11,88,414	-	459
Reliance Liquidity fund - growth plan- growth option	-	25,574	-	1,161
Reliance Banking & PSU Debt fund - growth plan	-	34,53,271	-	465
			3,339	**8,239**

* No of units are in absolute numbers

5 Other financial assets

Particulars		As at 31 March 2020	As at 31 March 2019
Non-current			
Security deposits			
- Unsecured, considered good		656	571
- Doubtful		-	-
Others		3	-
	Total	**659**	**571**
Current			
Foreign currency forward contracts receivable		-	67
Unbilled revenue		1,157	1,034
Other advances		225	-
	Total	**1,382**	**1,101**

6 Non-current tax asset

Particulars		As at 31 March 2020	As at 31 March 2019
Advance Taxes (Net of Provision for taxes)		1,347	870
	Total	**1,347**	**870**

7 Other assets

Particulars		As at 31 March 2020	As at 31 March 2019
Non current			
Prepaid expenses		5	-
	Total	**5**	-
Current			
Prepaid expenses		250	197
Advance to suppliers		40	-
Others		156	36
	Total	**446**	**233**

8 Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables considered good, Secured	-	-
Receivables considered good, Unsecured	4,502	3,547
Doubtful	129	20
Sub-total	**4,631**	**3,567**
Less : Loss allowance	(129)	(20)
Total	**4,502**	**3,547**

8.1 Credit period and risk

The average credit period for the services rendered:

(a) Trade receivables (Domestic) are non-interest bearing and are generally on terms ranging from 45 days to 90 days. (31 March 2019: Ranging from 25 days to 60 days)
(b) Trade receivables (International) are non-interest bearing and are generally on terms ranging from 7 days to 180 days. (31 March 2019: Ranging from 7 days to 180 days)

Of the trade receivable balance as at March 31, 2020, ₹ 641 lakhs (As at March 31, 2019: ₹ 640 lakhs) are due from one of the Company's customers i.e having more than 10% of the total outstanding trade receivable balance. There are no other customers who represent more than 10% of the total balance of trade receivables.
No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

8.2 Expected credit loss allowance
The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information.

Age of receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Domestic Customers:		
(i) Within Credit period	1,744	1,126
(ii) 0 - 1 year	730	529
(iii) 1 - 2 years	109	19
(iv) 2 - 3 years	-	-
(v) More than 3 years	-	-
Sub-total (A)	**2,583**	**1,674**
International Customers:		
(i) Within Credit period	1,766	1,002
(ii) 0 - 1 year	281	890
(iii) 1 - 2 years	-	-
(iv) 2 - 3 years	-	-
(v) More than 3 years	-	-
Sub-total (B)	**2,047**	**1,893**
Grand Total (A + B)	**4,631**	**3,567**

Based on the assessment of the Company, there is no risk associated with the dues from the related parties both from a credit risk or time value of money as these are managed through the group's cash management process and can be recovered on demand by the Company. Accordingly, no provisions has been considered necessary.

With regard to other parties, the company had, based on past experience, wherein collections are done within a year of it being due and expectation in the future Credit loss, has made necessary provisions.

8.3 Movement in the allowance for doubtful receivables (including expected credit loss allowance)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at beginning of the year	20	13
Add: Allowance towards Expected credit loss provided / (written back) during the year	121	7
Less: Allowances written off during the year	12	-
Balance at end of the year	**129**	**20**

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

9 Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
(a) Cash in hand	5	4
(b) Balance with banks	12,415	7,160
Total	12,420	7,164

10 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with bank held as margin money	135	33
Total	135	33

11 Equity share capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of Shares	Amount	Number of Shares	Amount
Authorised				
Equity shares of ₹ 10/- each	2,00,00,000	2,000	2,00,00,000	2,000
Convertible preference shares of ₹ 100/- each	13,50,000	1,350	13,50,000	1,350
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10/- each fully paid up	1,52,38,326	1,524	1,52,38,326	1,524
	1,52,38,326	**1,524**	**1,52,38,326**	**1,524**

a) There is no change in issued and subscribed share capital during the current period and in the previous year.

b) Details of shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Equity shares of ₹ 10/- each fully paid

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of Shares	% holding	Number of Shares	% holding
Saravanan A	3,80,958	3%	31,12,119	20%
Jagadish R	3,80,958	3%	30,36,952	20%
Conneqt Business Solutions Limited	1,11,82,912	73%	-	0%
First Carlyle Ventures Mauritius	-	0%	47,02,838	31%

c) Rights, preferences and restrictions attached to equity shares

The Company has issued only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which can be approved by the Board of Directors. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) There were no shares issued persuant to contract without payment being received in cash, alloted as fully paid up by way of bonus issues or brought back during the last five years immediately preceding 31 March 2020.

12 Other equity

	Particulars	As at 31 March 2020	As at 31 March 2019
a)	**Securities premium (Refer Note 12.1 below)**		
	Balance at the beginning of the year	12,019	12,019
	Add : Additions made during the year	-	-
	Balance at the end of the year	**12,019**	**12,019**
b)	**Capital reserve (Refer Note 12.2 below)**		
	Balance at the beginning of the year	251	251
	Add : Additions made during the year (Refer Note 39)	(2,426)	-
	Balance at the end of the year	**(2,175)**	**251**
c)	**General reserve (Refer Note 12.3 below)**		
	Balance at the beginning of the year	1,413	1,413
	Add : Additions made during the year	-	-
	Balance at the end of the year	**1,413**	**1,413**
d)	**Retained earnings (Refer Note 12.4 below)**		
	Balance at the beginning of the year	6,605	5,993
	Less: Dividends (Refer Note 38)	(1,524)	(762)
	Less: Dividend distribution tax	(310)	(158)
	Add : Profit attributable to owners of the Company	4,493	1,567
	Add : Remeasurement of defined benefits plan (net of taxes)	(98)	(35)
	Balance at the end of the year	**9,166**	**6,605**
e)	**Foreign currency translation reserve**		
	Balance at the beginning of the year	(32)	(447)
	Add : Transfer from other comprehensive income	893	415
	Balance at the end of the year	**861**	**(32)**
	Total	**21,284**	**20,256**

Notes:

12.1: Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation.

12.2: Capital reserve comprises initial application money on warrants received, forfeited subsequently. Addition during the year of ₹ 2,426 lakhs represents reserve arising on business combination, recognised on acquisition of the statutory compliance business from Coachieve (Also Refer Note 39).

12.3: This represents appropriation of profit by the Company.

12.4: Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

13 Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
From banks		
(i) Finance lease obligation (Secured) #	18	45
Total	**18**	**45**

Finance lease from HDFC Bank - Secured

Original Tenor (in Months)	Interest Rate	No. of Instalments outstanding as at 31 March 2020	Repayment Terms	As at 31 March 2020
Ranging between 36 - 60	Ranging between 8% - 10%	195	Principal Quarterly, Interest Monthly	40
Less: Current maturities of long-term borrowings (Refer Note 14)				22
Long term Borrowings				18

Original Tenor (in Months)	Interest Rate	No. of Instalments outstanding as at 31 March 2019		Repayment Terms	As at 31 March 2019
Ranging between 36 - 60	Ranging between 8.25% - 10.75%	Ranging between 8.25% - 10.75%	196	Principal Quarterly, Interest Monthly	74
Less: Current maturities of long-term borrowings (Refer Note 14)					29
Long term Borrowings					45

Finance lease obligations are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an interest rate of 8%-10% p.a (31 March 2019: 8.25%-10.75% p.a) with repayment term ranging from 3 to 5 years.

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

14 Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Retentions	-	19
Total	-	19
Current		
Current maturities of finance lease obligations (Refer Note 13)	22	29
Foreign currency forward contracts	81	-
Total	103	29

15 Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Gratuity	449	322
Total	449	322
Current		
Gratuity	60	60
Compensated absences*	202	176
Litigations	-	220
Total	262	456

*The amount of compensated absences provision is presented as current, since the Company does not have an unconditional right to defer settlement for this obligation.

16 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
- Other than Acceptances (Refer Note 30)		
- Dues of Micro Enterprises and Small Enterprises	-	-
- Dues of Creditors Other than Micro Enterprises and Small Enterprises	2,463	1,250
Total	2,463	1,250

17 Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Advances from customers	32	38
Statutory dues	313	449
Unclaimed Dividend	5	2
Total	350	489

18 Current tax liabilities (Net)

Particulars	As at 31 March 2020	As at 31 March 2019
Provison for Income taxes (Net of Advance Tax)	143	131
Total	143	131

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

19 Revenue from operations

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from Services:*		
A. Customer Lifecycle Management (CLM)		
(i) International	12,833	13,971
(ii) Domestic	7,199	6,203
B. Human Resource Operation (HRO)		
(i) International	1,866	1,388
(ii) Domestic	7,546	4,555
Total	**29,444**	**26,116**

* The Group has reviewed and reassessed the presentation of revenue. Consequently, the revenue is disaggregated according to business segments & geographical location of customers. Accordingly previous years figures are regrouped to conform with current year classification.

(i) Disaggregation of revenue

The above break up presents disaggregated revenues from contracts with customers by each of the business segments. The Group believes that this dissaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors

(ii) Trade receivables and Unbilled Revenue

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Trade receivables and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables and contract assets from contracts with customers:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Receivables, which are included in 'Trade and other receivables'	4,502	3,547
Unbilled Revenue	1,157	1,034

Unbilled Revenue primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. Unbilled Revenue are transferred to receivables when the rights become unconditional.

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the value of remaining performance obligations for (i) contracts with an original expected duration of one year or less and (ii) contracts for which the Group recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

20 Other income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Dividend income from current investments	-	1
Interest Income		
- on fixed deposits	11	2
- income tax refund	-	61
- others	15	1
Net gain arising on Financial Assets designated as at Fair Value through Profit or Loss	182	-
Profit on redemption of current investments	199	570
Net gain on foreign currency transaction and translation	-	103
Profit on sale of property, plant and equipment (net)	2	-
Miscellaneous income	-	4
Total	**409**	**742**

21 Employee benefits expense

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	15,554	12,271
Contribution to provident fund and other funds	847	776
Gratuity expense	18	50
Staff welfare expenses	654	741
Total	**17,073**	**13,838**

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

22 Finance costs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense		
(i) Interest on finance lease obligations	5	8
(ii) Interest on loans from related parties	27	-
(iii) Increase accrued on lease liabilities	189	-
(iv) Others	5	41
Total Total	**226**	**49**

23 Other expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Professional and Consultancy Charges	1,086	3,517
Travelling and Conveyance	467	397
Power and Fuel	701	576
Rent	289	1,516
Repairs and maintenance		
-Machinery	425	328
-Others	496	403
Insurance expenses	49	49
Fees, rates and taxes	134	207
Sales and marketing expenses	91	363
Communication charges	155	153
Connectivity cost	414	344
Security charges	282	224
Bank charges	19	-
Allowance for Expected Credit Losses	16	7
Bad Receivables Written off	12	-
Less: Release of allowance for expected credit losses	(12)	-
	-	-
Corporate social responsibility expenditure (Refer note 24)	44	38
Directors' sitting fees	11	7
Directors' commission	13	-
Loss on sale of property, plant and equipment (net)	-	9
Net loss on foreign currency transaction and translation	13	-
Miscellaneous expenses	139	177
Total Total	**4,844**	**8,315**

24 Corporate social responsibility expenditure

As per section 135 of the Companies Act, 2013, 2% of the average net profit of the last 3 years as computed under Section 198 of the Act, are as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Gross amount required to be spent by the Company during the year	44	37
Amount spent during the year		
(i) Construction or acquisition of any asset	-	-
(ii) On purpose other than (i) above	44	38
Amounts pending to be spent	-	-

The provisions of Section 135 of the Companies Act, 2013, relating to the mandatory requirement of amount to be spent towards corporate social responsibility is applicable for the Company during the current year based on the criteria applicable. The Company has spent the gross amount towards various activities as enumerated in the CSR Policy of the Company which covers promoting education, health and civic amenities etc.

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

25 Taxation

25.1 Income tax expense

25.1.1 Recognised in Statement of Profit and Loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current Tax:		
In respect of the current year	1,145	1,142
Adjustments in respect of earlier years	55	-
	1,200	1,142
Deferred Tax		
In respect of the current year	27	174
	27	174
Total income tax expense recognised in statement of profit and loss	1,227	1,316

25.1.2 Recognised in Other Comprehensive Income

Particulars	Year ended 31 March 2020	Period ended 31 March 2019
Deferred Tax		
Remeasurements of the defined benefit liabilities/ (asset)	51	18
Total income tax recognised in other comprehensive income	51	18
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified to profit or loss	51	18
	51	18

25.1.3 Reconciliation of income tax

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 29.12% (2018-19: 29.12%) and the reported tax expense in profit or loss are as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	5,720	2,883
Enacted income tax rate in India	29.12%	29.12%
Computed expected tax expense	**1,666**	**840**
Remeasurement of deferred tax assets due to change in rates	-	141
Adjustment for non-deductible expenses		
-Provision for impairment of goodwill	-	363
-Others	36	10
Adjustment for additional deductions under Income Tax Act	(55)	(82)
Deferred Tax Asset relating to business acquisition during the year	(54)	-
Taxes pertaining to earlier years	55	-
Difference in overseas tax rates	(855)	(606)
Savings in tax on account of losses incurred by subsidiaries in US	426	636
Others	8	14
Total income tax expense recognised in the statement of profit and loss	**1,227**	**1,316**

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

25.2 Deferred Tax Balances

The following is the analysis of the net deferred tax asset position as presented in the financial statements

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Deferred tax assets	1,297	1,441
Less: Deferred tax liabilities	53	-
Deferred tax asset (net)	**1,244**	**1,441**

Movement in the deferred tax balance :

Particulars	For the year ended 31 March 2020				
	Opening Balance	MAT credit utilisation	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Depreciation on Property, Plant and Equipment	560	-	(13)	-	547
Employee Benefit Expenses	163	-	(7)	51	207
Provision for Expected Credit Loss on Financial Assets	6	-	32	-	38
Impact on account of ROU asset and lease liabilities	-	-	16	-	16
Fair valuation adjustments - Financial Assets	1		(54)		(53)
MAT credit	711	(222)	-		489
Deferred Tax Asset /(Liabilities)	**1,441**	**(222)**	**(26)**	**51**	**1,244**

Particulars	For the year ended 31 March 2019				
	Opening Balance	MAT credit utilisation	Recognised in Profit or Loss	Recognised in Other Comprehensive	Closing Balance
Depreciation on Property, Plant and Equipment	726	-	(166)	-	560
Employee Benefit Expenses	161	-	20	(18)	163
Provision for Expected Credit Loss on Financial Assets	-	-	6	-	6
Fair valuation adjustments - Financial Assets	-	-	1	-	1
MAT credit	746	(35)	-	-	711
Deferred Tax Asset /(Liabilities)	**1,633**	**(35)**	**(139)**	**(18)**	**1,441**

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

26 Leases

The Group has leases for Buildings and Computers.

(a) **Right of Use Asset "ROU"**
The following are the changes in the carrying value of right of use assets for the year ended 31 March 2020:

Particulars	Category of ROU Asset		Total
	Buildings	Computers	
Balance as at 01 April 2019	2,853	-	2,853
Additions	126	687	813
Deletions	-	-	-
Depreciation*	(1,420)	(19)	(1,439)
Balance as at 31 March 2020	1,559	668	2,227

*The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

(b) **Lease Liabilities**
The following is the movement in lease liabilities during the year ended 31 March 2020:

Particulars	Buildings	Computers	Total
Balance as at 01 April 2019	2,853	-	2,853
Additions	126	687	813
Finance cost accrued during the year	183	5	188
Deletions	-	-	-
Payment of lease liabilities	(1,509)	(21)	(1,530)
Balance as at 31 May 2019	1,653	671	2,324

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	Total
Current lease liabilities	1,013
Non-current lease liabilities	1,311

(c) **Amounts recognized in profit and loss were as follows**

Particulars	For the year ended 31 March 2020
Depreciation Expenditure	1,439
Finance Cost on Lease Liabilitities	188

(d) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	As at 31 March 2020
Not later than 1 year	1,163
Later than 1 year and not later than 5 years	1,413
Later than 5 years	-

Note: The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

27 Related party transactions

A. Names of related parties and related party relationships

Relationship	Name of the related party
Ultimate Holding Company	Quess Corp Limited
Holding Company	Conneqt Business Solutions Limited
Fellow Subsidiaries	Simpliance Technologies Pvt Ltd Mfx Infotech Private Limited Monster.Com (India) Private Limited Terrier Security Services (India) Private Limited Quess Malaysia QDigi Services limited Heptagon Technologies Private Limited Coachieve Solutions Pvt Ltd MFXchange US, Inc
Entity which is controlled by Key Managerial Personnel	Experienzing Consulting Solutions LLP
Entity in which key managerial personnel have significant influence	Careworks Foundation
Key management personnel	
Chief Executive Officer	Mr. Ashish Johri (w.e.f 01 October 2019)
Chief financial officer	Mr. Raghunath. P (till 23 January 2020)
Chief financial officer	Mr. Nataraj Lakshmipathy (w.e.f 24 January 2020)
Directors	
Chairman of the Board of Directors	Mr. Ajit Abraham Isaac (w.e.f. 29 May 2019)
Independent director	Mr. Sanjay Anandaram (w.e.f. 06 June 2019)
Independent director	Mr. Milind Chalisgaonkar (w.e.f. 06 June 2019)
Independent director	Ms. Lakshmi Sarada R (w.e.f. 29 August 2019)
Non-executive Non-independent director	Mr. Subramanian Ramakrishnan (w.e.f 01 April 2020)
Non-executive Non-independent director	Mr. Subrata Nagkumar (till 31 March 2020)
Non-executive Non-independent director	Mr. Suraj Krishna Moraje (w.e.f. 24 January 2020)
Whole-time director	Mr. Jagadish R (till 06 June 2019)
Non-independent director	Mr. Saravanan A (till 06 June 2019)

B. Transactions with related parties

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Income from services billed to		
Quess Corp Limited	44	-
Conneqt Business Solutions Limited	15	-
Simpliance Technologies Pvt Ltd	12	-
Monster.Com (India) Private Limited	2	-
Heptagon Technologies Private Limited	1	-
Purchase of capital goods		
MFX Infotech Private Limited	5	-
Expense incurred for recruitment/professional/consulting/security/AMC etc		
Mfx Infotech Private Limited	4	-
MFXchange US, Inc	131	-
Monster.Com (India) Private Limited	2	-
Simpliance Technologies Pvt Ltd	257	-
Quess Corp Limited	165	-
Terrier Security Services (India) Private Limited	110	-
Quess Malaysia	19	-
QDigi Services limited	4	-
Heptagon Technologies Private Limited	5	-
Dividend paid to Parent company		
Conneqt Business Solutions Limited	396	-
Consideration paid towards business combination (Refer Note 39)		
Coachieve Solutions Pvt Ltd - HRO Stat Division	1,680	-
Repayment of Borrowings (Refer Note 30)		
Quess Corp Limited	1,345	-
Expenses incurred on behalf of and recoverable from		
Quess Corp Limited	147	-

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Payments made by holding company on behalf of the company		
Quess Corp Limited	15	-
Loan issued to fellow subsidiary		
MFXchange US, Inc	708	-
Loan recovered from fellow subsidiary		
MFXchange US, Inc	708	-
Interest Income on Loan		
MFXchange US, Inc	5	-
Payments made towards Corporate Social Responsibility Expense	41	-
Careworks Foundation		
Remuneration*		
Whole-time director (Jagadish R)	85	171
Director (Saravanan A)	17	209
Chief Executive officer	59	-
Chief financial officer	57	49
Non-whole-time directors	24	7
Digital & marketing support service		
Experienzing Consulting Solutions LLP	28	36

* Remuneration and other benefits pertain to short term employee benefits. As the gratuity and compensated absences are determined for all the employees in aggregate, the post-employment benefits and other long-term benefits relating to key management personnel cannot be ascertained individually.

C. Balances with related parties

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables		
Quess Corp Limited	27	-
Conneqt Business Solutions Limited	12	-
Simpliance Technologies Pvt Ltd	16	-
Trade Payable		
Simpliance Technologies Pvt Ltd	107	-
Terrier Security Services (India) Private Limited	3	-
Quess Corp Limited	65	-
Quess Malaysia	2	-
QDigi Services limited	2	-
Salaries payable to KMP	14	65
Directors' commission payable	13	-
Other financial assets		
Quess Corp Limited	147	-

Notes:

(i) The Group accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2020, there are no further amounts payable to / receivable from them, other than as disclosed above. The Company incurs certain costs on behalf of other companies in the group. These costs have been allocated/recovered from the group companies on a basis mutually agreed to with the group companies.

(ii) Remuneration and other benefits pertain to short term employee benefits. As the gratuity and compensated absences are determined for all the employees in aggregate, the post-employment benefits and other long-term benefits relating to key management personnel cannot be ascertained individually.

(iii) The remuneration payable to key management personnel is determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(iv) All transactions with these related parties are priced at arm's length basis. The amounts outstanding are unsecured and will be settled in cash. There have been no instances of amounts due to or due from related parties that have been written back or written off or otherwise provided for during the year.

28 Earnings per equity share

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit after tax considered as numerator for calculating basic and diluted	4,493	1,567
Weighted average number of equity shares for the purpose of calculating Basic & Diluted EPS	1,52,38,326	1,52,38,326
Nominal value of equity shares (in ₹)	10	10
Basic EPS (in ₹)	29.48	10.28
Diluted EPS (in ₹)	29.48	10.28

29 Contingent liabilities and commitments

(a) Contingent liabilities

Claims against the Company not acknowledged as debt

The Company received a demand from the Tamil Nadu Electricity Board for an amount of ₹ 109 lakhs in January 2008 relating to reclassification disputes on the tariff category applicable to the Company in two of its delivery centers with retrospective effect from 2005. The Company has obtained an interim stay order from the Hon'ble High Court of Madras against this claim. The Company considers the claim to be erroneous and as not payable under the specified tariff category applicable to ITES units.

(b) Commitments

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Capital commitments that are not cancellable - Estimated amount of capital contracts remaining to be executed	189	42

30 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars*	2019-2020	2018-2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

31 Segment Reporting

Ind AS 108 establishes the standards for the way that business enterprises report information about operating segments, which is based on the "management approach". Under "management approach", the 'Chief Operating Decision Maker' (CODM) considers and regularly reviews the segment operating results to assess the performance of the business segments and group as a whole. The Chief Executive Officer (CEO) is considered to be the 'Chief Operating Decision Maker' (CODM) as defined in IND AS 108. The Operating Segment is the level at which discrete financial information is available. The CODM allocates resources and assess performance at this level. The group has Customer Life Cycle Management (CLM), Anti Money Laundering (AML), Human Resource Outsourcing (HRO) as its business segments for the financial year ended 31 March 2020.

The above business segments have been identified considering :
a. the nature of products and services
b. the differing risks and returns
c. the internal organization and management structure, and
d. the internal financial reporting systems.

These business segments were considered to be primary and solely reportable segments of Group for the year ended 31 March 2020.

Business Segments

CLM comprises Inbound and Outbound Tele calling services and Call Quality Monitoring services rendered to its clients. HRO comprises payroll processing and statutory compliance support services to its client. AML services provided by the Group pertains to vouching, screening and other specific requirements from the regulatory authorities to comply with anti-money laundering regulations by its customers.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Segment information

Particulars	CLM	HRO	AML	Unallocable	Total
Revenue from operations	20,032 *17,808*	9,412 *5,942*	- *2,366*	- *-*	29,444 *26,116*
Operating and other expenses/(income), net	16,207 *14,140*	6,673 *3,522*	158 *4,273*	(1,519) *787*	21,519 *22,722*
Depreciation and amortization expense	386 *355*	61 *48*	- *24*	1,544 *99*	1,990 *526*
Finance costs	- *-*	 *-*	- *-*	226 *49*	226 *49*
Interest income	- *-*	- *-*	- *-*	11 *64*	11 *64*
Profit before tax	3,440 *3,313*	2,678 *2,372*	(158) *(1,931)*	(240) *(871)*	5,720 *2,883*
Tax expense	- *-*	- *-*	- *-*	1,227 *1,316*	1,227 *1,316*
Profit after tax	- *-*	- *-*	- *-*	- *-*	4,493 *1,567*

Other information

Particulars	CLM	HRO	AML	Unallocable	Total
Segment Assets	3,903 *4,024*	2,901 *1,562*	- *11*	22,115 *18,923*	28,919 *24,520*

Particulars	CLM	HRO	AML	Unallocable	Total
Segment Liabilities	2,074 *1,027*	556 *284*	- *221*	3,482 *1,209*	6,112 *2,741*

Note: Amounts in italics pertains to the previous year ended 31 March 2019

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

32 Employee Benefits

a) Defined Contribution plans

The Company makes Provident and Pension Fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Expenses recognised :

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Included under 'Contributions to Provident and other Funds'		
Contributions to Employee state insurance	160	173
Contributions to provident funds	474	342
Contributions to other funds	213	261

b) Defined Benefit Plans:

The Company offers 'Gratuity' (Refer Note 21 Employees Benefits Expense) as a post employment benefit for qualifying employees and operates a gratuity plan. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards its gratuity liability is a defined benefit plan.

Description of Risk Exposures
Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity 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) Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

C) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants 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) 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 availabilty of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2020. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.
The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement :

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Changes in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	**544**	**460**
Interest cost	32	32
Current service cost	61	50
Past service cost	-	(22)
Benefits paid	(99)	(29)
Actuarial loss	151	53
Present value of defined benefit obligation at the end of the year	**690**	**544**
Changes in fair value of plan assets		
Fair value of plan assets at the beginning of the year	**162**	**110**
Expected return	11	10
Contributions by the Company	104	71
Benefits paid	(99)	(29)
Actuarial gains	2	-
Fair value of plan assets at the end of the year	**181**	**162**
Net defined benefit obligation (deficit)	**509**	**382**
Current	449	322
Non-current	60	60

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Amount recognised in profit or loss		
Current service cost	61	50
Past service cost	-	(22)
Interest cost	32	32
Expected return on planned assets	(11)	(10)
Provision for gratuity acquired as part of Business combination	(64)	
Total amount recognised in profit or loss	**18**	**50**
Amount recognised in other comprehensive income		
Remeasurement due to changes in actuarial assumptions	149	53
Total amount recognised in other comprehensive income	**149**	**53**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Significant actuarial assumptions		
a) Discount rate and expected return on plan assets	5.94%	6.95%
b) Long-term rate of compensation increase	5.00%	5.00%
c) Attrition rate		
- employees with service upto 5 years as at valuation date	39.00%	35.00%
- employees with service more than 5 years as at valuation date	1.50%	2.00%

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. It is assumed that the active members of the scheme will experience in service mortality in accordance with the Indian Assured Lives Mortality (2012-14) Ultimate Table. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

Particulars	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2020						
> Sensitivity Level	1%	-1%	1%	-1%	1%	-1%
> Impact on defined	7	-9	-76	91	85	75
31 March 2019						
> Sensitivity Level	1%	1%	1%	-1%	1%	-1%
> Impact on defined benefit obligation	11	- 12	-53	63	59	-52

Other information

Expected contribution to post-employment benefit plans for the year ending 31 March 2021 is ₹ 60 lakhs. The weighted average duration of the defined benefit obligation is 13 years (31 March 2019: 11.6 years).

The expected benefit payments for the 10 years after balance sheet date is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	5-10 years	Total
31 March 2020					
Defined benefit obligation	20	29	161	185	395
31 March 2019					
Defined benefit obligation	19	63	112	200	394

c) Compensated Absences

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Included under ' Salaries and Bonus '	46	78

Particulars	As at 31 March 2020	As at 31 March 2019
(b) Net asset / (liability) recognised in the Balance Sheet	**202**	**176**
Current portion of the above	202	176
Non - current portion of the above	-	-

The Key Assumptions used in the computation of provision for compensated absences are as given below:

Particulars	2019-2020	2018-2019
Discount Rate (% p.a)	5.94%	6.95%
Future Salary Increase (% p.a)	5.00%	5.00%

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(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

33 Financial Instruments

33.1 Capital Management

The Group manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Group's capital management, capital includes equity share Capital and Other Equity and Debt includes Borrowings and Other Financial Liabilities net of Cash and bank balances. The Group monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Group compared to last year.

Gearing Ratio :

Particulars	As at 31 March 2020	As at 31 March 2019
Borrowings	40	74
Cash and Bank Balance	(12,555)	(7,197)
Net Debt over and above the cash and bank balances (A)	-	-
Total Equity (B)	**22,807**	**21,779**
Net Debt to equity ratio (A/B)	- %	- %

33.2 Categories of Financial Instruments

The carrying value of the financial instruments by categories as on 31 March 2020 and 31 March 2019 is as follows:

Particulars	Carrying Value		Fair Value	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
(a) Financial Assets				
Measured at fair value through P&L				
- Current Investments	3,339	8,239	3,339	8,239
- Other financial assets	-	67	-	67
Measured at amortised cost				
- Cash and Bank balances	12,420	7,164	12,420	7,164
- Other Bank balances	135	33	135	33
- Trade receivables	4,502	3,547	4,502	3,547
- Other financial assets	2,041	1,605	2,041	1,605
	22,436	**20,655**	**22,436**	**20,655**
(b) Financial Liabilities :				
Measured at fair value through P&L				
- Other financial liabilities	81	-	81	-
Measured at amortised cost				
- Borrowings	18	45	18	45
- Trade Payables	2,463	1,250	2,463	1,250
- Lease Liabilities	2,324	-	2,324	-
- Other financial liabilities	22	48	22	48
	4,908	**1,343**	**4,908**	**1,343**

The management assessed that fair value of cash and cash equivalents, trade receivables, loans, borrowings, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these 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.

The following methods and assumptions were used to estmate the fair value/amortized cost

1) Long-term fixed-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual losses and creditworthiness of the receivables

2) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the unquoted instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

3) Fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non- performance risk as at 31 March 2020 was assessed to be insignificant.

Fair Value Hierarchy

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no items of financial assets or financial liabilities which were valued at fair value as of 31 March 2020 and 31 March 2019.

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

33.3 Financial Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk.

The Group's activities expose it to a variety of financial risks: liquidity risk, credit risk and market risk (including interest rate risk and other price risk). The Group's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Group's risk assessment and management policies and processes.

(a) Liquidity Risk Management :

Liquidity risk refers to the risk that the Group cannot meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation. The Group maintains adequate reserves and banking facilities, and continuously monitors the forecast and actual cash flows by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Group periodically. The Group believes that the working capital (including banking limits not utilised) and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Liquidity and Interest Risk Tables :

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
31 March 2020				
Interest bearing*	1,035	1,329	-	2,364
Non-interest bearing	2,544	-	-	2,544
Total	**3,579**	**1,329**	**-**	**4,908**
31 March 2019				
Interest bearing	29	45	-	74
Non-interest bearing	1,250	19	-	1,269
Total	**1,279**	**64**	**-**	**1,343**

*Includes Lease liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial Assets with agreed repayment periods. The Group does not hold any derivative financial instrument.

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
31 March 2020				
Interest bearing	135	-	-	135
Non-interest bearing	21,642	659	-	22,301
Total	**21,777**	**659**	**-**	**22,436**
31 March 2019				
Interest bearing	33	-	-	33
Non-interest bearing	20,051	571	-	20,622
Total	**20,084**	**571**	**-**	**20,655**

(b) Credit Risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the Group result in material concentration of credit risk. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

The carrying amount of the financial assets recorded in these financial statements, grossed up for any allowance for losses, represents the maximum exposures to credit risk.

Trade receivables: The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and credit history, also has an influence on credit risk assessment.

Credit risk on current investments, cash & cash equivalent and derivatives is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in fixed deposits.

(c) Market Risk :

Market risk is the risk of loss of any future earnings, in realizable fair values or in future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

(c.1) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group's management monitors the interest fluctuations, if any, and accordingly, take necessary steps to mitigate any interest rate risk.

Interest rate sensitivity analysis

Borrowings that existed as at 31 March 2020 are at fixed interest rates and hence the Group is not exposed to changes in market interest rates.

(c.2) Foreign Currency Risk Management :

The Group undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

Particulars	Currency	As at 31 March 2020	As at 31 March 2019
		Amount ₹ In lakhs	Amount ₹ In lakhs
Financial Assets (comprising of trade receivables, cash & bank balances and unbilled revenue)	USD	12,759	5,770
Financial Assets (comprising of trade receivables, cash & bank balances and unbilled revenue)	PHP	787	-
Financial Liabilities (comprising of trade payables)	USD	216	-
Financial Liabilities (comprising of trade payables)	PHP	386	-
Financial Liabilities (comprising of trade payables)	EURO	1	
Financial Liabilities (comprising of trade payables)	RM	2	-

Foreign Currency sensitivity analysis:

The following table details the Group's sensitivity to a 10% increase and decrease in ₹ against the relevant foreign currencies. 10% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates a increase in profit / decrease in loss and increase in equity where the ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

Impact on Profit and loss for the reporting period

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2019
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	1,254	1,254	854	854
PHP	40	40	-	-

Impact on total equity as at end of the reporting period

Particulars	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	1,254	1,254	854	854
PHP	40	40	-	-

Note :

- This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Group at the end of the reporting period.

33.4 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

33.5 Offsetting of financial assets and financial liabilities

The Group has not offset financial assets and financial liabilities.

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

34 Additional information required as per Schedule-III of the Companies Act, 2013:

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated assets	Amount	As a % consolidated profit or loss	Amount	As a % consolidated other comprehensive income	Amount	As a % consolidated total comprehensive income	Amount
As at 31 March 2020								
Holding company	59%	14,061	29%	945	100%	(98)	27%	847
Foreign subsidiaries:								
Allsectech Inc	4%	1,013	-46%	(1,501)	0%	-	-47%	(1,501)
Allsectech Manila Inc	37%	8,847	108%	3,551	0%	-	111%	3,551
Retreat Capital Management Inc	0%	(79)	9%	285	0%	-	9%	285
Sub-total	**100%**	**23,842**	**100%**	**3,280**	**100%**	**(98)**	**100%**	**3,182**
Inter-company eliminations and other adjustments		(1,035)		1,213		893		2,106
Total		**22,807**		**4,493**		**795**		**5,288**

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated assets	Amount	As a % consolidated profit or loss	Amount	As a % consolidated other comprehensive income	Amount	As a % consolidated total comprehensive income	Amount
As at 31 March 2019								
Holding company	73%	17,475	63%	951	100%	(35)	62%	916
Foreign subsidiaries:								
Allsectech Inc	10%	2,398	-69%	(1,047)	0%	-	-71%	(1,047)
Allsectech Manila Inc	19%	4,525	182%	2,752	0%	-	187%	2,752
Retreat Capital Management Inc	-2%	(355)	-76%	(1,146)	0%	-	-78%	(1,146)
Total	**100%**	**24,044**	**100%**	**1,510**	**100%**	**(35)**	**100%**	**1,475**
Inter-company eliminations and other adjustments		(2,265)		57		415		472
Total for consolidated financials		**21,779**		**1,567**		**380**		**1,947**

35 Fair value measurement

Financial Assets and Financial Liabilities that are measured at fair value on a recurring basis

Some of the financial assets and financial liabilities are measured at end of the each reporting period. The following table gives information about how the fair value of these financial assets and liabilities are considered:

Financial Assets / Financial Liabilities	Fair Value as at		Fair Value Hierarchy	Value Techniques and Key Inputs
	31-Mar-20	31-Mar-19		
Investments in Mutual Funds	3,339	8,239	Level 1	Quoted Net Asset Value in Active Markets
Foreign Currency Forward contracts	(81)	67	Level 2	Refer below

There have been no transfers between Level 1 and Level 2 for the year ended 31 March 2020 and 31 March 2019

Measurement of fair value of financial instruments

Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the chief financial officer (CFO) and to the audit committee. Valuation processes and fair value changes are discussed among the audit committee and the valuation team at least every year, in line with the Group's reporting dates.

The valuation techniques used for instruments categorised in Levels 1, 2 and 3 are described below:

Investments in mutual fund units (Level 1)
The mutual funds are valued using the closing NAV.

Foreign exchange forward contracts (Level 2)

The Group's foreign currency forward contracts are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

Investments in equity instruments of other companies (Level 3)

These investments are not traded in active markets, and management considers the cost of investments to approximate the fair value.

Financial instruments measured at amortised cost for which the fair value is disclosed
The carrying amount of all financial instruments measured at amortised cost are considered to be a reasonable approximation of the fair value.

Fair value measurement of non-financial assets
There are no non-financial assets that were measured at fair value on the reporting dates.

36 Capital management policies and procedures
The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows générated. The Group is not subject to any externally imposed capital requirements.

37 Provision for Impairment of investment in subsidiary
During the year, the Company's subsidiary Allsec Tech Inc., USA incurred material losses due to non-renewal of a significant customer contract. In addition the subsidiary had accumulated losses primarily on account of the settlement of class action suits in the previous financial year. Accordingly, in line with the Company's policy the investment was tested by the management for impairment. The Company assessed the expected revenues, profitability, cash flows as also the business outlook for the financial year 2020-21 and beyond for the test of impairment. Based on such assessment, the Company concluded that the carrying value of the investments in this subsidiary would be impaired to the extent of the entire carrying value of ₹ 1,214 lakhs. Consequently, the Company has impaired the value of investments in Allsectech Inc, USA as at 31 March 2020 amounting to ₹ 1,214 lakhs and disclosed the same as exceptional item in Statement of Profit or Loss of the standalone financial statements of the Company for the year ended 31 March 2020.

During the previous year the Company had impaired the value of its investment in Retreat Capital Management Inc., USA as at 31 March 2019 amounting to ₹ 1,307 lakhs and disclosed the same as an exceptional item in Statement of Profit or Loss of the standalone financial statements of the Company for the year ended 31 March 2019. Also, the Group has impaired the carrying value of goodwill arising on consolidation of Retreat Capital Management Inc., USA as at 31 March 2019 amounting to ₹ 1,247 lakhs and disclosed the same as an exceptional item in Statement of Profit or Loss of the consolidated financial statements for the year ended 31 March 2019.

38 Dividend

Dividend of ₹ 10 per share on the equity share (100% of par value of ₹ 10 each) has been approved by the Board of Directors in its board meeting held on 23 May 2019 and paid during the financial year 2019-20.

39 Business combination

During the year,the Company acquired on a slump sale basis with effect from 30 September 2019 ,the assets and liabilities of HR Compliance business of Coachivo Solutions Private Limited ('CSPL'), a subsidiary of Quess Corp Limited for a purchase consideration of ₹ 1,680 lakhs against the net liability of ₹ 746 lakhs (including inter-company loans). The Company accounted for the business combination in accordance with the requirements of Appendix C of Ind AS 103 'Business Combinations' which lays down the principles inrespect of accounting for business combinations of entities or businesses under common control. As required by the Standard, pooling of interests method has been considered for common control business combination and accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts and an adjustment of ₹ 2,426 lakhs (debit) has been made to the capital reserve of the Company.

40 Note on Covid 19 assessment

In assessing the recoverability of receivables including unbilled receivables, other contractual assets and related costs and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material changes to future economic conditions.

41 Approval of Financial Statements

In connection with the preparation of the consolidated financial statements for the year ended 31 March 2020, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the consolidated financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these consolidated financial statements in its meeting held on 18 May 2020 in accordance with the provisions of Companies Act, 2013.

For and on behalf of the **Board of Directors**

Ajit Abraham Isaac
Chairman

Place : Bengaluru
Date : 18 May 2020

Suraj Krishna Moraje
Director

Place : Bengaluru
Date : 18 May 2020

Ashish Johri
Chief Executive Officer

Place : Chennai
Date : 18 May 2020

Nataraj Lakshmipathy
Chief Financial Officer

Place : Chennai
Date : 18 May 2020

Gagan Preet Singh
Company Secretary

Place : Chennai
Date : 18 May 2020

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City
Orwell, B Wing, 6th Floor, Unit-3
Sy. No. 83/1, Plot No. 2, Raidurg
Hyderabad-500081, India.

Telephone +91 40 7182 2000
Fax +91 40 7182 2399

INDEPENDENT AUDITORS' REPORT

To the Members of Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of Conneqt Business Solutions Limited (Formerly known as Tata Business Support Services Limited) ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of matter

We draw attention to Note 33(ii) of the financial statements, which describes the contingent liability regarding the Provident fund contribution pursuant to Supreme court Judgement dated 28 February 2019, The Company had been legally advised that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Company had made a provision for provident fund contribution pursuant to the judgment only from the date of Supreme Court Order.

Our Opinion in not modified in respect of this matter

Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Independent Auditors' report on the financial statements (Continued)

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board report but does not include the financial statements and our auditors' report thereon.

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

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

Management's and Board of Directors' Responsibility for the financial statements

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

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

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

Auditors' Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Independent Auditors' report on the financial statements (Continued)

Auditors' Responsibilities for the Audit of the financial statements (Continued)

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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors 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 auditors' 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 auditors' 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.

Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Independent Auditors' report on the financial statements (Continued)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (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 statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

   e) The matter defined in the Emphasis of matter paragraph, in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 33 to the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Independent Auditors' report on the financial statements (Continued)

Report on Other Legal and Regulatory Requirements (Continued)

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Associates LLP**
Chartered Accountants
ICAI's Firm's Registration No.: 116231W/W-100024

Hemant Maheshwari
Partner
Membership No. 096537
UDIN: 20096537AAAAAQ2383

Place: Hyderabad
Date: 25 May 2020

Conneqt Business Solution Limited (Formerly known as Tata business support services limited)
Annexure A to the Independent Auditor's Report

The Annexure A referred to in the Independent Auditor's Report of even date, on the Financial Statements to the Members of Conneqt Business Solution Limited (Formerly known as Tata Business Support Services Limited) ('the Company') for the year ended 31 March 2020. We report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.

(ii) The Company is in the business of rendering Business Process Outsourcing Services including Contact Centre Services, and consequently, does not hold any inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanation given to us, 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 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act with respect to investments made. Further, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act.

(v) According to the information and explanation given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and Rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act, for any services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

Conneqt Business Solution Limited (formerly known as Tata Business Support Services Limited)
Annexure A to the Independent Auditor's Report (continued)

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods and Service tax, and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities except in case of Provident Fund, Employees' State Insurance and Professional Tax where delays are numerous. As explained to us, the Company did not have any dues on account of Sales-tax, Service Tax, Duty of customs, Duty of excise, Value Added Tax and Cess. Refer note 33(ii) to the AS financial statements relating to provident fund contribution.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund Refer note 33(ii), Employees' state insurance, Income-tax, Goods and Service tax, Professional tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable except as mentioned below:

Name of the statute	Nature of the dues	Amount in ` Lakhs (Excluding penalty and interest	Period to which the amount relates	Due date	Paid subsequent to the year end in ` Lakhs
Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	126.49	April 2017 to August 2019	15th of the subsequent month	Not paid till date.
Employees' State Insurance Act, 1948	Employee State Insurance	19.10	April 2017 to August 2019	15th of the subsequent month	Not paid till date.

(b) According to the information and explanations given to us, there are no dues of Income tax, which have not been deposited with the appropriate authorities on account of any dispute. As explained to us, the Company did not have any dues on account of Duty of customs and Duty of excise. According to the information and explanations given to us, the following dues of Service tax and Goods and Service Tax has not been deposited by the Company on account of disputes:

Name of the Statute	Nature of Dues	Amount in ` Lakhs *	Period to which the amount relates	Forum Where the dispute is pending
Goods and Service Tax Act, 2017	GST	79.06	Financial year 2017-18 to 2018-19	Assistant Commissioner, Andhra Pradesh.
		0.93	Financial year 2018-19	
Finance Act,1994	Service tax	32.31	Financial year 2017-18	Office of the Superintendent, Begumpet-III – Hyderabad.
		389.89 (15.97)	Financial year 2007 to 2009	Central Excise Service Tax Appellate Tribunal, Mumbai
		4,433.33 (333.74)	Financial year 2011-12 to 2016-17	Central Excise Service Tax Appellate Tribunal, Hyderabad

* Amounts in parenthesis represents amounts paid under protest.

Conneqt Business Solution Limited (formerly known as Tata Business Support Services Limited)
Annexure A to the Independent Auditor's Report (continued)

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings from banks and dues to debenture holders. The Company did not have any outstanding dues to any financial institution or Government.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Further, according to the information and explanations given to us and based on our examination of the records on the Company, the money raised by way of terms loans during the year has been utilized for the purpose for which they were raised.

(x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records on the Company, the Company has paid/ provided for managerial remuneration to manager in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of all such transactions have been disclosed in Note 24 to the financial statements as required by the applicable accounting standards.

(xiv) The Company has made private placement of fully convertible debentures during the year under audit, in compliance with the requirements of section 42 of the Act. The amount raised have been used for the purpose for which the funds were raised.

According to the information and explanations given to us the Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year of Audit.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with the directors or person connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

Conneqt Business Solution Limited (formerly known as Tata Business Support Services Limited)
Annexure A to the Independent Auditor's Report (continued)

(xvi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

for **B S R & Associates LLP**
Chartered Accountants
ICAI's Firm Registration Number.: 116231W/ W-100024

Hemant Maheshwari
Partner
Membership No.: 096537
UDIN: 20096537AAAAAQ2383

Place: Hyderabad
Date: 25 May 2019

Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Annexure B to the Independent Auditors' report.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in clause (g) of paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited) ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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.

Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Annexure B to the Independent Auditors' report (Continued)

Auditors' Responsibility (continued)

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Associates LLP**
Chartered Accountants
ICAI's Firm's Registration No.: 116231W/W-100024

Hemant Maheshwari
Partner
Membership No. 096537
UDIN: 20096537AAAAAQ2383
Place: Hyderabad
Date – 25 May 2020

CONNEQT BUSINESS SOLUTIONS LIMITED

(Formerly TATA BUSINESS SUPPORT SERVICES LIMITED)

25th Annual Report

Regd. Office: Gowra Trinity, Chiran Fort Lane, Begumpet, Hyderabad

Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Balance Sheet
(All amounts in INR lakhs, except share data and where otherwise stated)

	Note no.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	8,107.05	8,641.64
Right-of-Use asset	3 and 32	14,600.64	-
Capital work-in-progress		-	31.28
Intangible assets	4	516.33	562.97
Financial assets			
Investments	5.1(a)	21,411.17	-
Loans receivables	5.1(b)	1,329.11	1,640.92
Other financial assets	5.2	125.00	125.00
Deferred tax assets (net)	23	1,714.40	2,708.98
Non-current tax assets	6	7,186.55	5,557.13
Other non-current assets	7	576.44	794.72
Total non-current assets		**55,566.69**	**20,062.64**
Current assets			
Financial assets			
Trade receivables	8.1	10,643.11	11,096.27
Cash and cash equivalents	8.2	6,879.28	4,039.99
Loans receivables	8.3	646.94	390.49
Other financial assets	8.4	7,431.10	7,933.13
Other current assets	9	852.42	1,137.20
Total current assets		**26,452.85**	**24,597.08**
TOTAL ASSETS		**82,019.54**	**44,659.72**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	14,946.39	9,150.85
Instruments entirely equity in nature	11.1	14,700.00	-
Other equity	11.2	17,347.03	12,479.14
Total equity		**46,993.42**	**21,629.99**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liability		10,589.12	-
Borrowings	12	295.82	319.44
Provisions	13	-	1,428.40
Other non-current liabilities	14	65.03	166.10
Total non-current liabilities		**10,949.97**	**1,913.94**
Current liabilities			
Financial liabilities			
Lease Liability		4,614.00	-
Trade payables	15.1		
Dues of micro enterprises and small enterprises		16.68	34.89
Dues of creditors other than micro enterprises and small enterprises		881.89	2,755.76
Other financial liabilities	15.2	14,373.61	14,076.56
Provisions	16	1,954.71	1,559.33
Other current liabilities	17	2,235.26	2,689.25
Total current liabilities		**24,076.15**	**21,115.79**
Total liabilities		**35,026.12**	**23,029.73**
TOTAL EQUITY AND LIABILITIES		**82,019.54**	**44,659.72**
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements.
As per our Report of even date attached.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No.: 116231W/ W- 100024

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Hyderabad
Date: 25 May 2020

for **and on behalf of the Board of Directors**
Conneqt Business Solutions Limited
CIN: U64200TG1995PLC044060

Suraj K Moraje
Chairman
DIN: 08594844

Srinivasan Guruprasad
Director
DIN: 07596207

Neeraj Tandon
Chief Executive Officer

A.S. Krishnan
Chief Financial Officer

V Sampath
Company Secretary

Place - Bengaluru
Date: 19 May 2020

CONNEQT BUSINESS SOLUTIONS LIMITED

Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Statement of Profit and Loss
(All amounts in INR lakhs, except share data and where otherwise stated)

	Note no.	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	18	97,594.91	85,417.07
Other income	19	864.56	546.95
Total income		**98,459.47**	**85,964.02**
Expenses			
Employee benefits expense	20	67,917.78	59,694.35
Finance costs	21	3,082.70	565.93
Depreciation and amortisation expense	3, 4	7,963.55	2,324.69
Other expenses	22	14,144.90	18,315.02
Total expenses		**93,108.93**	**80,899.99**
Profit before exceptional items and tax		**5,350.54**	**5,064.03**
Provision for Impairment of Investment in subsidiary	5.1(a)	11,584.91	-
(Loss)/Profit after exceptional items before tax		**(6,234.37)**	**5,064.03**
Tax expense:			
Current tax	23	840.14	1,601.48
Deferred tax	23	1,140.11	(624.92)
(Loss)/Profit for the year		**(8,214.62)**	**4,087.47**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined benefit liability		(578.21)	(173.32)
Income-tax relating to above items		145.52	60.56
		(432.69)	**(112.76)**
(Loss)/ profit for the year (A+B)		**(8,647.31)**	**3,974.71**
Earnings per equity share (face value of INR 10 each)			
Basic (in INR)	30	(5.82)	4.47
Diluted (in INR)	30	(5.82)	4.47

Significant accounting policies — 2

The notes referred to above form an integral part of the financial statements.
As per our Report of even date attached.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No.: 116231W/ W- 100024

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Hyderabad
Date: 25 May 2020

for **and on behalf of the Board of Directors**
Conneqt Business Solutions Limited
CIN: U64200TG1995PLC044060

Suraj K Moraje
Chairman
DIN: 08594844

Srinivasan Guruprasad
Director
DIN: 07596207

Neeraj Tandon
Chief Executive Officer

A.S. Krishnan
Chief Financial Officer

V. Sampath
Company Secretary

Place: Bengaluru
Date: 19 May 2020

CONNEQT BUSINESS SOLUTIONS LIMITED

Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Statement of changes in equity
(All amounts in INR lakhs, except share data and where otherwise stated)

	Equity share capital	Instruments entirely equity in nature (refer Note 11.1)	Other equity			Total equity attributable to equity holders of the Company
			Reserves and surplus			
			Equity Share Premium	Capital redemption reserve	Retained earnings	
Balance as at 1 April 2018	**9,150.85**	-	-	-	**7,004.43**	**16,155.28**
Profit for the year	-	-	-	-	4,087.47	4,087.47
Transferred to capital redemption reserve from retained earnings on account of redemption of preference shares	-	-	-	1,500.00	-	1,500.00
Re-measurement of defined benefit asset, net of taxes	-	-	-	-	(112.76)	(112.76)
Balance as of 31 March 2019	**9,150.85**			**1,500.00**	**10,979.14**	**21,629.99**
Balance as at 1 April 2019	**9,150.85**	-	-	**1,500.00**	**10,979.14**	**21,629.99**
Add: Shares Capital issued during the period (Refer note 10(iv))	5,795.54	-	-	-	-	5,795.54
Add: Equity Share Premium issued during the period (Refer note 10(iv))	-	-	13,515.20	-	-	13,515.20
Add: Compulsory Convertible Debentures issued during the period (entirely equity in nature)(Refer note 11.1)	-	14,700.00	-	-	-	14,700.00
Loss for the year	-	-	-	-	(8,214.62)	(8,214.62)
Re-measurement of defined benefit asset, net of taxes	-	-	-	-	(432.69)	(432.69)
Balance as of 31 March 2020	**14,946.39**	**14,700.00**	**13,515.20**	**1,500.00**	**2,331.83**	**46,993.42**

As per our Report of even date attached.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No.: 116231W/ W- 100024

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Hyderabad
Date: 25 May 2020

for **and on behalf of the Board of Directors**
Conneqt Business Solutions Limited
CIN: U64200TG1995PLC044060

Suraj K Moraje
Chairman
DIN: 08594844

Srinivasan Guruprasad
Director
DIN: 07596207

Neeraj Tandon
Chief Executive Officer

Place - Bengaluru
Date: 19 May 2020

A.S. Krishnan
Chief Financial Officer

V. Sampath
Company Secretary

Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Statement of Cash Flows
(All amounts in INR lakhs, except share data and where otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
(Loss)/Profit before tax	(6,234.37)	5,064.03
Adjustments for:		
Depreciation and amortisation expense	7,963.55	2,324.69
(Profit)/Loss on sale of property, plant and equipment, net	(27.98)	29.66
Liabilities no longer required written back	(1,615.34)	(599.22)
Bad debts written off	52.76	288.00
Provision for doubtful advances	46.74	(122.19)
Provisions/(Reversals) for doubtful debts, net	412.51	65.46
Interest income on term deposits and others	(159.14)	(109.96)
Unrealised exchange (gain)/loss	(30.00)	6.25
Dividend from investment in Subsidiary	(396.19)	-
Finance costs	3,082.70	565.93
Impairment of investment in shares of subsidiary (Refer note 5.1)	11,584.91	-
Operating cash flows before working capital changes	**14,680.15**	**7,512.66**
Decrease/(increase) in trade and other receivable	34.32	(1,249.49)
Decrease/(increase) in loans receiavbles and other financial assets	1,264.00	(2,666.73)
Increase in other assets	(48.12)	(191.21)
(decrease)/Increase in trade payables and other financial liabilities	(635.20)	6,491.82
(decrease)/Increase in other liabilities	(348.33)	1,086.40
Decrease in provisions	(1,611.23)	(481.43)
Cash generated from operations	**13,335.59**	**10,502.01**
Income-taxes paid, net of refund	(2,469.56)	(1,748.38)
Net cash generated from operating activities (A)	**10,866.03**	**8,753.63**
Cash flows from investing activities		
Acquisition of property, plant and equipment, capital work-in-progress along with movement in capital advances and capital creditors	(2,037.28)	(3,892.54)
Proceeds from sale of property, plant and equipment	114.95	143.43
Interest income on term deposits and others	151.62	104.01
Deposits matured/ (placed) (having original maturity of more than 3 months), net	-	125.00
Dividend income from subsidiary	396.19	-
Investment is shares of subsidiary (Refer Note 5.1(a)	(32,996.08)	-
Net cash used in investing activities (B)	**(34,370.59)**	**(3,520.10)**
Cash flows from financing activities		
Proceeds from long-term borrowings*	-	228.61
Proceeds from issue of Compulsory Convertible Debentures	14,700.00	-
Loan/ICD received	12,708.72	-
Loan/ICD repaid - issue of Compulsory Convertible Debentures	(6,900.00)	-
Loan/ICD repaid	(5,808.72)	-
Repayment of long-term borrowings	(34.27)	(1,186.47)
Proceeds/(repayment) of short term borrowings, net	-	(1,000.00)
Proceeds from issue of Equity Shares	19,310.74	
Amounts paid towards finance lease liability	(4,566.09)	-
Finance cost paid	(3,082.70)	(449.27)
Net cash generated/(used) in financing activities (C)	**26,327.68**	**(2,407.13)**
Net increase in cash and cash equivalents (A+B+C)	**2,823.11**	**2,826.40**
Cash and cash equivalents at the beginning of the year	4,039.99	1,217.40
Exchange difference on translation of foreign currency cash and bank balances	16.17	(3.81)
Cash and cash equivalents at the end of the year	**6,879.28**	**4,039.99**

Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- In current accounts	6,724.17	4,039.99
- In EEFC accounts	155.11	-
Cash and cash equivalents as per the statement of cash flows	**6,879.28**	**4,039.99**

***Changes in liablities arising from financing activities**

Particulars	As at 01 April 2019	Cash flow changes	Non Cash flow changes	As at 31 March 2020
Long-term borrowings	450.47	(34.27)	-	416.20

The notes referred to above form an integral part of the financial statements.
As per our Report of even date attached.

for B S R & Associates LLP
Chartered Accountants
ICAI Firm's Registration No.: 116231W/ W- 100024

Hemant Maheshwari
Partner
Membership No: 096537

Place: Hyderabad
Date: 25 May 2020

for and on behalf of the Board of Directors
Conneqt Business Solutions Limited
CIN: U64200TG1995PLC04406

Suraj K Moraje
Chairman
DIN: 08594844

Srinivasan Guruprasad
Director
DIN: 07596207

Neeraj Tandon
Chief Executive Officer

Place - Bengaluru
Date: 19 May 2020

A.S. Krishnan
Chief Financial Officer

V. Sampath
Company Secretary

CONNEQT BUSINESS SOLUTIONS LIMITED

Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Notes to the financial statements for the year ended 31 March 2020

Company overview

Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited) is an unlisted public limited company incorporated and domiciled in India. The registered office of the Company is located at Hyderabad, Telangana, India. The Company is engaged in the business of providing Business Process Outsourcing Services including Contact Center Services.withback-office solutions for application processing, operations and banking, collections, legal remedial and finance and accounting services. \in telecommunications, entertainment media, automobile, manufacturing, retail, banking, financial services and insurance (BFSI) sectors and operate from India.

As explained in note 5.1(a), the Company has acquired controlling stake in Allsec Technologies Limited ("Allsec") during the year and hence has become the immediate parent company of Allsec. However, the Company has used the exemption available under para 4(a) of Ind AS 110 and has chosen not to present consolidated financial statements, since Quess Corp Limited (parent company) has prepared and presented it's consolidated financial statements which have been produced for public use."

The Board of Directors approved the financial statements for the year ended 31 March 2020 and authorised for issue on 19 May 2020.

1. Basis of preparation

1.1. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments issued thereafter.

1.2. Basis of preparation

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

- Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);
- Defined benefit and other long-term employee benefits where plan assets are measured at fair value less present value of defined benefit obligations ("DBO").

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The Statement of cash flows have been prepared under indirect method.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all amounts have been rounded off to the nearest lakhs up to two places of decimals, unless otherwise stated.

B S R & Associates LLP
CHARTERED ACCOUNTANTS

CONNEQT BUSINESS SOLUTIONS LIMITED

1.3. Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- **Impairment of investment in subsidiaries:** The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

- **Contingent liabilities:** Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

- **Income taxes:** Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

- **Measurement of defined benefit obligations:** Key actuarial assumptions used for actuarial valuation.

- **Impairment of financial assets:** The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost.

- **Property, plant and equipment:** Useful life of asset.

- **Lease term**: Whether the Company is reasonably certain to exercise extension options or not.

- **Revenue Recognition -** The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

1.3 Use of estimates and judgements (Continued)

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company uses judgement to detgermine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- Contract fulfilment costs are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

- **Other estimates:** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit- worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

1.4. Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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1.4 Measurement of fair values (continued)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2. Significant accounting policies

2.1. Property, plant and equipment

i. Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

ii. Subsequent expenditure
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.

iii. De-recognition
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. Gains and losses on disposals are determined by comparing proceeds with carrying amount. Assets to be disposed-off are reported at the lower of the carrying value or the fair value less cost to sell.

v. Depreciation methods, estimated useful lives and residual value
Depreciation is provided on a Straight Line Method ('SLM') over estimated useful life of the fixed assets estimated by the Management. The management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets is different from the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/ sold during the year is proportionately charged.

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2 Significant accounting policies (continued)

2.1 Property, plant and equipment (continued)

The Company estimated the useful lives for fixed assets as follows:

Category	Useful life as per management
Leasehold improvements	Lease term or 8 years whichever is lower
Building	60
Air conditioners	8
Electrical works	8
Furniture & fittings	5
Generators	8
Office equipment	5
Vehicles	5
Information technology and networking assets	3 years to 5 years

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

vi. Advance 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 the assets not put to use before such date are disclosed under Capital work-in-progress.

2.2 Other intangible assets

i. Recognition and measurement

Acquired intangible assets and assets acquired on business combinations are measured initially at cost. Other intangible assets are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including on internally generated software is recognised in profit and loss as and when incurred.

iv. Amortisation

The Company amortises intangible assets with a finite useful life less their estimated residual values over their estimated useful lives using the straight- line method, and is included in depreciation and amortisation in statement of profit and loss.

The intangible asset is depreciated over a useful life of 3-5 years. The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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2.3 Impairment of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.4 Leases

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116 and the impact of changes is disclosed in Note 32.

At inception of a contract, the Company assesses whether a contract 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:
— the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
— the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
— the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
-- the Company has the right to operate the asset; or
-- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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2. **Significant accounting policies** (continued)

2.1. Leases (Continued)

Policy applicable before 1 April 2019:
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

i. As a lessee

a) Under Ind AS 116:

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
— fixed payments, including in-substance fixed payments;
— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
— amounts expected to be payable under a residual value guarantee; and
— the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.
The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position

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2 Significant accounting policies (continued)

2.4 Leases (Continued)

Short-term leases and leases of low-value assets:
The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and buildings that have a lease term of 12 months or less and leases of low-value assets.

ii. As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116.

2.5 Revenue recognition

The Company earns revenue primarily from providing business process outsourcing services including contact center services.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

— Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

— Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

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2. **Significant accounting policies** (continued)

2.5 Revenue recognition (continued)

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned revenue ("contract liability") is recognised when there is billings in excess of revenues.
In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by geography.

2.6 Other income

Interest income or expenses is recognised using effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to the gross carrying amount of the financial assets or the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.
Dividend income from subsidiary is recognised when its right to receive the dividend is established.

2.7 Investments in Subsidiary

Investment in equity instruments issued by subsidiary is measured at cost less impairment. Investments in subsidiary is 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. If such investment is considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the investment exceeds the estimated recoverable amount of the investment.

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2 Significant accounting policies (continued)

2.8 Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement Financial assets

On initial recognition, a financial asset is classified and measured at:

- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI- equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mistake that would otherwise arise.

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2. Significant accounting policies (continued)

2.8 Financial instruments (continued)

Financial assets: Subsequent measurement and gains and losses

- Financial assets, at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit or loss.
- Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Investment in subsidiaries : Investment in subsidiaries are carried at cost less impairment in the standalone financial statements

c) Impairment of financial assets

The Company assess on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27 details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

d) Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

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2 Significant accounting policies (continued)

2.8 Financial instruments (continued)

Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost.

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.

b) 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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging 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 recognised in OCI. These gains/ losses 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. The Company has not designated any financial liability as at fair value through profit and loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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 or loss.

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2 Significant accounting policies (continued)

2.8 Financial instruments (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Employee benefits

a) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of remeasurements of the net defined liability or asset through other comprehensive income.

Remeasurement of the net defined liability or asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

b) Short-term employee benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit method as at the reporting date.

d) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

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2. Significant accounting policies (continued)

2.9 Employee benefits (continued)

e) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.10 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective;
- and qualifying cash flow hedges to the extent that the hedges are effective.

2.11 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

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 as on the balance sheet date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below.

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.

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2. **Significant accounting policies** (continued)

2.11 Taxes (Continued)

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.
- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profits may not be available. Therefore, in case of history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

2.12 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

2.13 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.14 Cash and cash equivalents

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

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2 **Significant accounting policies** (continued)

2.15. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.16 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

2.17 Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segment. Business process outsourcing services has been considered as the only reportable segment. Hence, no separate final disclosure have been provided for the segment reporting.

2.18 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Recent accounting pronouncements

There are no new accounting pronouncements that are applicable from 1 April 2020.

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Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Notes to the financial statements (continued)
(All amounts in INR lakhs, except share data anc where otherwise stated)

3 Property, plant and equipment

Reconciliation of carrying amount

	Buildings	Air conditioners	Electrical fittings	Furniture and fittings	Generators	Leasehold improvement	Office equipment	Vehicles	Information technology and networking assets	Total tangible assets
Gross carrying amount										
Balance as at 1 April 2018	3,543.96	392.66	489.63	724.22	39.87	594.65	442.96	627.47	4,427.00	11,282.42
Additions	-	16.60	64.32	59.37	-	26.45	123.34	232.97	2,735.40	3,258.45
Disposals	-	15.96	111.98	52.31	4.04	127.26	20.12	100.08	68.38	500.13
Balance as at 31 March 2019	**3,543.96**	**393.30**	**441.97**	**731.28**	**35.83**	**493.84**	**546.18**	**760.36**	**7,094.02**	**14,040.74**
Balance as at 1 April 2019	3,543.96	393.30	441.97	731.28	35.83	493.84	546.18	760.36	7,094.02	14,040.74
Additions	-	14.35	83.60	90.48	6.88	7.48	42.42	170.63	1,286.14	1,701.99
Disposals	-	1.32	25.17	1.39	-	0.27	4.04	197.55	128.73	358.48
Balance as at 31 March 2020	**3,543.96**	**406.33**	**500.40**	**820.37**	**42.71**	**501.05**	**584.56**	**733.44**	**8,251.43**	**15,384.25**
Accumulated depreciation										
Balance as at 1 April 2018	125.50	133.37	183.76	397.06	17.29	203.77	191.20	234.64	2,181.67	3,668.26
Depreciation for the year	59.62	66.50	95.24	120.88	3.52	90.76	86.93	132.72	1,401.71	2,057.88
Disposals	-	9.27	74.06	36.14	2.15	94.93	12.25	52.70	45.54	327.04
Balance as at 31 March 2019	**185.12**	**190.60**	**204.94**	**481.80**	**18.66**	**199.60**	**265.88**	**314.66**	**3,537.84**	**5,399.10**
Balance as at 1 April 2019	185.12	190.60	204.94	481.80	18.66	199.60	265.88	314.66	3,537.84	5,399.09
Depreciation for the year	59.62	59.82	102.25	148.47	3.27	114.64	80.55	132.43	1,448.56	2,149.61
Disposals	-	0.84	11.92	1.25	-	-	3.34	125.75	128.40	271.50
Balance as at 31 March 2020	**244.74**	**249.58**	**295.27**	**629.02**	**21.93**	**314.24**	**343.09**	**321.34**	**4,858.00**	**7,277.20**
Carrying amount - net										
As at 31 March 2020	**3,299.22**	**156.75**	**205.13**	**191.35**	**20.78**	**186.81**	**241.47**	**412.10**	**3,393.43**	**8,107.05**
As at 31 March 2019	**3,358.84**	**202.70**	**237.03**	**249.48**	**17.17**	**294.24**	**280.30**	**445.70**	**3,556.18**	**8,641.64**

Note:
Refer note 34 for disclsoure of contractual commitments for acquisations of property, piant and equipment.

Right-of-use assets	Buildings	Facility assets	IT Equipments	Total tangible assets
Gross carrying amount				
Balance as at 1 April 2019	15,816.13	608.44	688.72	17,113.29
Addition during the year	1,973.50	427.76	599.11	3,000.37
Depreciation charge for the year	4,693.49	298.52	521.01	5,513.02
Balance as at 31 March 2020	**13,096.14**	**737.68**	**766.82**	**14,600.64**

Refer note 32 for disclsoures relating to Ind AS 116

(All amounts in INR lakhs, except share data and where otherwise stated)

4. Intangible assets

Reconciliation of carrying amount

Particulars	Computer software
Gross carrying amount	
Balance as at 1 April 2018	885.08
Additions	478.40
Disposals	-
As at 31 March 2019	**1,363.48**
Balance as at 1 April 2019	1,363.48
Additions	254.28
Disposals	-
As at 31 March 2020	**1,617.76**
Accumulated amortisation	
As at 1 April 2018	533.70
Charge for the year	266.81
Disposals	-
As at 31 March 2019	**800.51**
Balance as at 1 April 2019	800.51
Charge for the year	300.92
Disposals	-
As at 31 March 2020	**1,101.43**
Carrying amounts - net	
As at 31 March 2020	**516.33**
As at 31 March 2019	**562.97**

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		As at 31 March 2020	As at 31 March 2019
Note 5.1(a)	**Investments (carried at cost)**		
	Quoted equity shares of		
	Subsidiary :		
	Allsec Technologies Limited (1,11,82,912 shares of INR 10 each fully paid-up)	32,996.08	-
	*Less: Impairment in value of investments in subsidiary **	(11,584.91)	
		21,411.17	-

The Company has acquired 1,11,82,912 shares of INR 10 each fully paid-up, representing 73.39% equity shares of Allsec Technologies Limited for a total consideration of INR 32,996.08 from the shareholders of Allsec Technologies Limited ("Allsec") whose equity shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). On 3 June 2019, the Company completed the acquisition of 93,49,095 shares representing 61.35% equity shares of Allsec, from Mr Ramamoorthy Jagadish, Mr Adisheshan Saravanan and First Carlyle Ventures Mauritius through share purchase agreements, for a consideration of INR 27,119.71 lakhs. Subsequently on 21 June 2019, the Company made the open offer and acquired 18,33,817 shares representing 12.03% equity shares of Allsec at a price of INR 320.00 per share amounting to INR 5,876.38 which was completed on 10 July 2019. Allsec Technologies Limited is a global company with considerable expertise in providing business process solutions across various industry verticals.

*As on reporting date, there was a significant decline in market value of the investment. Based on indicators of such decline coupled with the impact of Covid19 pandemic the Management carried out Impairment testing and provided INR 11,584 as provision for impairment of Investments.

		As at 31 March 2020	As at 31 March 2019
Note 5.1(b)	**Non-current loans receivable**		
	Unsecured		
	Security deposits	1,329.11	1,640.92
		1,329.11	**1,640.92**
Note 5.2	**Other non-current financial assets**		
	Bank deposit accounts with maturity more than 12 months*	125.00	125.00
		125.00	**125.00**
	*Represents lien marked deposit against bank guarantees.		
Note 6	**Non-current tax assets**		
	Advance Tax (net of provisions)	7,186.55	5,557.13
		7,186.55	**5,557.13**
Note 7	**Other non-current assets**		
	Unsecured, considered good		
	Capital advances	5.45	5.45
	Advances other than capital advances		
	Deposit paid under protest	569.08	569.08
	Others		
	Prepaid expenses	1.91	31.80
	Prepaid rent	-	188.39
		576.44	**794.72**

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(All amounts in INR lakhs, except share data and where otherwise stated)

		As at 31 March 2020	As at 31 March 2019
Note 8.1	**Trade receivables**		
	Current		
	Unsecured		
	Trade Receivables	11,443.70	11,516.94
	Less: allowance for expected credit loss (refer Note 26)	(800.59)	(420.67)
		10,643.11	**11,096.27**

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 26.

Amounts given above includes trade receivables from related party. Refer note 24 for related party disclosures.

Note 8.2	**Cash and cash equivalents**		
	Balance with banks		
	In current accounts	6,724.17	4,039.99
	In EEFC accounts	155.11	-
		6,879.28	**4,039.99**
Note 8.3	**Current loans receivables**		
	Unsecured, considered good		
	Security deposits	622.60	326.13
	Employee loans	24.34	64.36
		646.94	390.49
	Unsecured, considered doubtful		
	Security deposits	35.00	35.00
	Employee loans	15.86	15.86
	Less: Provision for impairment of security deposits and employee loans	(50.86)	(50.86)
		646.94	**390.49**
Note 8.4	**Other financial assets**		
	Interest accrued on deposits	14.34	6.82
	Others	104.24	71.83
	Unbilled revenue	7,391.84	7,854.48
	Less: Provision for unbilled revenue	(46.73)	-
	Less: Provision for Others	(32.59)	-
		7,431.10	**7,933.13**
Note 9	**Other current assets**		
	Unsecured, considered good		
	Advances other than capital advances		
	Advance to suppliers and service providers	70.80	131.13
	Others		
	Prepaid rent (Refer note 32)	-	86.33
	Prepaid expenses	781.62	919.74
		852.42	1,137.20
	Unsecured, considered doubtful		
	Advance to suppliers and service providers	39.60	39.60
	Less: Provision for advance to suppliers and service providers	(39.60)	(39.60)
		852.42	**1,137.20**

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Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Notes to the financial statements (continued)
(All amounts in INR lakhs, except share data and where otherwise stated)

Note 10 Share capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
(a) Authorised:				
Equity shares of INR 10 each	191,000,000	19,100.00	151,000,000	15,100.00
Preference shares of INR 10 each	-	-	40,000,000	4,000.00
(b) Issued, Subscribed and Fully Paid-up:				
Equity shares of INR 10 each	149,463,887	14,946.39	91,508,502	9,150.85
		14,946.39		**9,150.85**

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	2019-20		2018-19	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
Equity Shares				
At the beginning of the year	91,508,502	9,150.85	91,508,502	9,150.85
Add: Share capital issued	57,955,385	5,795.54	-	-
At the end of the year	**149,463,887**	**14,946.39**	**91,508,502**	**9,150.85**

ii. Details of shares held by each shareholders holding more than 5% Shares:

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares				
Quess Corp Limited and its nominees	104,624,721	70%	46,669,336	51%
TATA Sons Private Limited and its nominees	44,839,166	30%	44,839,166	49%

iii. Rights, preferences and restrictions relating to each class of share capital:
The Company has one class of equity shares having a face value of INR 10 each. Each shareholder is eligible for one vote per share held. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholdings.

iv. Increase in the authorised and Paid-up share capital:
Pursuant to the Share Purchase Agreement ("SPA") dated 20th November 2017 entered into between the Company, Quess Corp Limited ("Quess"), Tata Sons Limited, issued 57,955,385 Equity Shares to Quess corp limited for cash at a price of INR 33.32 (Face value of INR 10 each) at a premium of INR 23.32 per share. Pursuant to provisions of Section 13, 61 and other applicable provisions of the Companies Act, 2013, altered the existing Authorized Share Capital of the Company of INR19,100 Lakhs comprising of 151,000,000 Equity Shares of INR10/- each aggregating INR15,100 Lakhs and 40,000,000 Redeemable Preference Shares of INR 10/- each aggregating INR 4,000 into INR19,100 comprising of 191,000,000 Equity Shares of INR 10/- each.

v. Details of Bonus shares issued, shares issued for considerations other than cash during the period of five periods immediately preceding the reporting date:
During the year ended 31 March 2016, 8,108,102 equity shares of INR 10 each fully paid-up and 15,000,000 12.33% cumulative redeemable preference shares of INR 10 each fully paid up were issued to the Shareholders of erstwhile e-Nxt Financials Limited (e-Nxt) pursuant to a scheme of amalgamation between e-Nxt and the Company.

v. Shares held by holding company and their nominees:

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each, fully paid up held by				
Quess Corp Limited and its nominees	104,624,721	10,462.47	46,669,336	4,666.93

(All amounts in INR lakhs, except share data and where otherwise stated)

		As at 31 March 2020	As at 31 March 2019
Note 11.1	**Instruments entirely equity in nature**		
	(i) Compulsory Convertible Debentures		
	Opening balance	-	-
	Issued during the year*	14,700.00	-
		14,700.00	**-**

Compulsory Convertible Debentures

The Company had issued fully convertible debentures ("CCD"/"CCDs") to Quess Corp Limited ("the parent Company") on 1 June 2019 for INR 7,800 , INR 5,900 on 8 July 2019 and INR 1,000 on 13 August 2019 with a term of 5 years, carrying an interest coupon of 10% per annum and convertible at fair value on the date of conversion. Based on an amendment to the original agreement during the year, a conversion price of INR 40 per share was fixed for conversion of these CCDs. Hence the CCD's satisfied the fixed- to fixed criteria as per Ind AS 32. Consequentially, the same were recognized as an equity instrument in the books of accounts.

		As at 31 March 2020	As at 31 March 2019
Note 11.2	**Other equity**		
	(i) Retained earnings		
	Opening balance	10,979.14	7,004.43
	Surplus as per statement of profit and loss	(8,214.62)	4,087.47
	Re-measurement of defined benefit liability/(asset), net of taxes	(432.69)	(112.76)
		2,331.83	**10,979.14**
	(ii) Capital redemption reserve		
	Opening balance (Refer note below)	1,500.00	1,500.00
		1,500.00	**1,500.00**
	(iii) Premium on issue of Shares		
	Opening balance	-	-
	Shares issued during the year (Refer note 10(iv))	13,515.20	-
		13,515.20	**-**
		17,347.03	**12,479.14**

Capital redemption reserve ("CRR")

The Company had issued 12.33% cumulative redeemable preference shares having face value of INR 10 each and redeemable at INR 12 each. As per the provisions of the Companies Act, 2013, the Company is required to create a capital redemption reserve equivalent to the nominal value of shares redeemed out of the profits of the Company. Such reserve can be created out of the free reserves of the Company. Accordingly, the Company has created CRR out of the retained earnings of earlier years. As per the provisions of the Companies Act, 2013, such CRR can be used for issuing fully paid up bonus shares.

		As at 31 March 2020	As at 31 March 2019
Note 12	**Borrowings**		
	Secured loans		
	Vehicle loans		
	From banks (refer note 1 below)	295.82	319.44
		295.82	**319.44**

Note 1: Terms of repayment of loan as at Balance Sheet date:

Vehicle loans obtained from HDFC Bank Limited are repayable in equal monthly instalments over a period of 5 years from the date of availing respective loan. The same is secured by hypothecation of the vehicles financed. Rate of interest is in the range of 9.25% to 11.87% p.a. and number of instalments pending for payments are ranging between 4 - 60 instalments. Amount outstanding (including current maturities) as at 31 March 2010 is INR 416.20 (31 March 2019: INR 450.47). Also refer note 25.

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(All amounts in INR lakhs, except share data and where otherwise stated)

		As at 31 March 2020	As at 31 March 2019
Note 13	**Non-current provisions**		
	Provision for employee benefits		
	Compensated absences *	-	1,428.40
		-	**1,428.40**

*The Company from the perspective of their compensated policy, has reduced the carry forward of leaves to 20 as compared to 40 in the previous years. Also, there is no restriction on the availment of leaves by the Company. (refer Note 16)

Note 14	**Other non-current liabilities**		
	Unearned revenue	65.03	56.09
	Accruals on straight lining of lease rentals (Refer note 32)	-	110.01
		65.03	**166.10**
Note 15.1	**Trade payables**		
	Dues of micro enterprises and small enterprises (refer note below)	16.68	34.89
	Dues of creditors other than micro enterprises and small enterprises*	881.89	2,755.76
		898.57	**2,790.65**

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 26.

* Includes trade payables to related parties. Refer note 24 for related party disclosures.

Note:

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at reporting date has been made in the financial statements based on information received and available with the Company and has been relied upon by the auditors.

Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	**31 March 2020**	**31 March 2019**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:	-	-
- Principal	16.68	34.89
- Interest	0.14	0.95
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year.	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	473.35	407.74
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	5.59	13.72
The amount of interest accrued and remaining unpaid at the end of each accounting year.	5.59	13.72
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-
	501.35	**471.02**

Note: The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

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(All amounts in INR lakhs, except share data and where otherwise stated)

		As at 31 March 2020	As at 31 March 2019
Note 15.2	**Other financial liabilities**		
	Current maturities of long-term borrowings		
	-Vehicle loans from bank (refer note 12)	120.38	131.03
	Security deposits	201.62	205.84
	Capital creditors	71.62	183.87
	Employee payables	8,870.53	8,316.47
	Accrued expenses	4,941.45	5,130.68
	Other payables	168.01	108.67
		14,373.61	**14,076.56**
Note 16	**Current provisions**		
	Provisions for employee benefits		
	Compensated absences (Refer note 13)	342.27	593.54
	Gratuity (Refer note 28)	1,188.27	541.62
	Other provisions		
	Provision for amounts paid under protest	424.17	424.17
		1,954.71	**1,559.33**

Movements in other provisions

	Provision for trade and others	Total
Balance as on 1 April 2018	548.17	548.17
Provisions made during the year	20.00	20.00
Provisions utilised during the year	(144.00)	(144.00)
Balance as on 31 March 2019	**424.17**	**424.17**
Balance as on 1 April 2019	424.17	424.17
Provisions made during the year	-	-
Provisions utilised during the year	-	-
Balance as on 31 March 2020	**424.17**	**424.17**

		As at 31 March 2020	As at 31 March 2019
Note 17	**Other current liabilities**		
	Advance from customers	232.44	64.19
	Unearned revenue	19.29	21.75
	Statutory dues	1,983.53	2,497.96
	Accruals on straight lining of lease rentals	-	105.35
		2,235.26	**2,689.25**

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(All amounts in INR lakhs , except share data and where otherwise stated)

		For the year ended 31 March 2020	For the year ended 31 March 2019
Note 18	**Revenue from operations**		
	Sale of services	97,594.91	85,417.07
		97,594.91	**85,417.07**

(i) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended 31 March 2020 and 31 March 2019 by geography.

The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenues by Geography		
- Within India	93,635.20	82,185.84
- Outside India	3,959.71	3,231.23
	97,594.91	**85,417.07**

(ii) Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as a receivable

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable are presented net of impairment in the Balance Sheet.

The following table provides information about receivables and contract liabilities from contracts with customers.

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables'	10,643.11	11,096.27
Contract liabilities (Unearned revenue & advance received from customers)	316.77	142.03

The contract liabilities primarily relate to the advance consideration received from customer and unearned revenue for which revenue is recognised on completion of contract terms.

The following table discloses the movement in contract liabilities balances for the year ended 31 March 2020

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning	142.03	92.24
Add : Additions made during the year	271.35	87.83
Less: Revenue recognised during the year	(96.61)	(38.04)
Balance at the end	**316.77**	**142.03**

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(All amounts in INR lakhs , except share data and where otherwise stated)

Note 18 Revenue from operations (continued)

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognised as at the end of the reporting year and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for

(i) contracts with an original expected duration of one year or less and

(ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

(iv) Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2020**
Contracted price	97,649.66	86,024.47
Reductions towards variable consideration components	(54.75)	(607.40)
Revenue recognised	**97,594.91**	**85,417.07**

The reduction towards variable consideration comprises of service level credits.

		For the year ended 31 March 2020	**For the year ended 31 March 2019**
Note 19	**Other income**		
	Interest income on :		
	- Fixed deposits	12.72	31.81
	- Income tax refund	165.13	334.03
	- Others	146.42	78.15
	Rental income (Refer note 32)	22.70	22.24
	Dividend from subsidiary (Refer note 5.1(a))	396.19	-
	Net gain on exchange differences	58.03	10.85
	Profit on sale of property, plant and equipment, net	27.98	-
	Miscellaneous income	35.39	69.87
		864.56	**546.95**
Note 20	**Employee benefits expense**		
	Salaries and wages	58,602.74	52,561.16
	Contribution to provident and other funds (Refer note 28)	6,090.49	4,203.16
	Staff welfare expenses	3,224.55	2,930.03
		67,917.78	**59,694.35**
Note 21	**Finance costs**		
	Interest expense on:		
	- Vehicle loans	60.07	176.15
	- Other credit facilities	233.57	224.10
	- Inter Company Deposits	245.84	-
	- Compulsorily Convertible Deposits	657.54	-
	- Others	211.03	116.66
	Interest on lease liability (Refer note 32)	1,605.82	-
	Bank charges	68.83	49.02
		3,082.70	**565.93**

(All amounts in INR lakhs , except share data and where otherwise stated)

		For the year ended 31 March 2020	For the year ended 31 March 2019
Note 22	**Other expenses**		
	Outsourcing services and other contractual costs	140.62	1,024.63
	Collection charges	291.72	223.58
	Power and fuel	2,000.77	1,699.99
	Rent (Refer note 32)	761.79	4,527.83
	Repairs and maintenance		
	- Buildings	984.37	1,346.33
	- Machineries	692.98	1,003.32
	- Others	132.25	172.10
	Legal and professional fees (Refer note (i) below)	2,079.32	1,624.28
	Rates and taxes	441.42	313.75
	Insurance	96.28	83.80
	Communication	265.58	258.41
	Travelling and conveyance	1,881.38	2,114.52
	Printing and stationery	93.09	114.05
	Business promotion	77.21	135.47
	Recruitment and training	888.18	1,006.84
	Bad debts written off	52.76	288.00
	Provisions/(Reversals) for doubtful debts, net	412.51	(122.19)
	Provision for doubtful advances	46.74	65.46
	Connectivity expenses	989.41	843.84
	Security charges	801.54	700.15
	Housekeeping charges	611.64	528.93
	Technology helpdesk	299.95	258.12
	Expenditure on corporate social responsibility (refer note ii below)	74.43	61.16
	Loss on sale of property, plant and equipment, net	-	29.66
	Miscellaneous expenses	28.96	12.99
		14,144.90	**18,315.02**

(i) Details of payments to auditors (included in legal and professional fees, excluding tax)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit	24.00	24.00
Tax audit	2.00	2.00
Other attest services, certifications & reviews	9.00	18.75
Reimbursement of expenses	1.52	1.52
	36.52	**46.27**

(ii) Details of expenditure on corporate social responsibility

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Amount required to be spent by the Company during the year	73.08	61.12

Amount spent during the year ended 31 March 2020	Amount paid in cash	Yet to be paid in cash
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	74.43	-

Amount spent during the year ended 31 March 2019	Amount paid in cash	Yet to be paid in cash
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	61.16	-

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(All amounts in INR lakhs, except share data and where otherwise stated)

Note 23 Income-tax

The major components of income-tax expense for the year ended 31 March 2020 and 31 March 2019 are:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statement of profit and loss account		
Current income-tax	840.14	1,601.48
Deferred tax	1,140.11	(624.92)
Income tax expense reported in the statement of profit and loss	**1,980.25**	**976.56**
Other comprehensive income		
- Deferred tax arising on income and expense recognised in other comprehensive income	(145.52)	(60.56)
Total	**1,834.73**	**916.00**

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

	For the year ended			
	31-Mar-20		31-Mar-19	
Profit before tax		(6,234.37)		5,064.03
Computed expected tax expense (Refer note 1)	25.168%	(1,569.07)	34.944%	1,769.57
Effect of:				
Donation paid (including CSR) (Permanent difference)	-0.30%	18.73	0.00%	-
Dividend income	-1.60%	99.71	0.00%	-
Tax incentives under Section 80JJAA of the Income-tax Act, 1961	3.05%	(190.00)	-15.56%	(787.98)
Adjustments of change in Income-tax rate	-12.15%	757.77	-0.39%	(19.64)
Impairment of investment in subsidiary	-46.77%	2,915.69	0.00%	-
Non-deductible expenses and others	0.84%	(52.58)	-0.23%	14.61
Total income tax expense	**-31.76%**	**1,980.25**	**18.76%**	**976.56**

The tax rates under Income-tax Act, 1961 for the year ended 31 March 2020 is 25.168% (31 March 2019: 34.944%).
Note 1 -

The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 which allows Company to opt for a lower ta rate of 22% as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income-tax for the year ended 31 March 2020 and re-measured its deferred tax assets / liabilities basis the rate prescribed in the said section.

Deferred tax

Deferred tax relates to the following:

Deferred tax assets/ (liabilities)	Balance as at 1 April 2018	Recognised in profit and loss during 2018-19	Recognised in OCI during 2018-19	Balance as at 31 March 2019
Deferred tax liabilities				
Property, plant and equipment	(7.67)	(20.26)	-	(27.93)
Deferred tax assets				
Employee benefits, net	1,307.94	10.64	60.56	1,379.14
Provision for doubtful debts, doubtful loans and contingencies	336.40	37.50	-	373.90
Provision-others	-	257.34	-	257.34
Tax incentives under Section 80JJAA of the Income-tax Act, 1961	313.96	211.36	-	525.32
Disallowance of expenses for short deduction/ non-deduction of TDS	-	116.01	-	116.01
Lease liability	69.93	14.20	-	84.13
Other fiscal differences	2.94	(1.87)	-	1.07
Net deferred tax assets	**2,023.50**	**624.92**	**60.56**	**2,708.98**

Deferred tax assets/ (liabilities)	Balance as at 1 April 2019	Recognised in profit and loss during 2019-20	Recognised in OCI during 2019-20	Balance as at 31 March 2020
Deferred tax liabilities				
Property, plant and equipment	(27.93)	27.91		(0.02)
Deferred tax assets				
Employee benefits, net	1,379.14	(850.92)	145.52	673.74
Provision for doubtful debts, doubtful loans and contingencies	373.90	(22.93)		350.97
Provision-others	257.34	(161.89)		95.45
Tax incentives under Section 80JJAA of the Income-tax Act, 1961	525.32	(335.31)		190.01
Disallowance of expenses for short deduction/ non-deduction of TDS	116.01	56.89		172.90
Lease liability	84.13	147.21		231.34
Other fiscal differences	1.07	(1.07)		0.00
Net deferred tax assets	**2,708.98**	**(1,140.11)**	**145.52**	**1,714.40**

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Note 24 Related party disclosures

i. List of related parties and their relationships as per the Ind AS 24- Related Party Disclosures:

Name of the entity	Nature of relationship
Quess Corp Limited	Holding Company
Monster.com (India) Private Limited	Fellow Subsidiary
Simpliance Technologies Private Limited	
Quesscorp Manpower Supply Services LLC	
Terrier Security Services India Private Limited	Associate of Holding Company
Heptagon Technologies Pvt Ltd	
Allsec Technologies Limited	Subsidiary w.e.f. 03rd June 2019
Tata Sons Private Limited	Entity exercising significant influence over the Company
TATA Limited	Subsidiary of the entity exercising significant influence over the Company
Infiniti Retail Limited	
TATA Capital Limited	
TATA Capital Financial Services Limited	
TATA Capital Housing Finance Limited	
TATA Cleantech Capital Limited	
TATA Securities Limited	
TATA Housing Development Company Limited	
Kriday Reality Private Limited	
TATA Value Homes Limited	
Princeton Infrastructure Private Limited	
Arvind & Smart Value Homes LLP	
Sohna City LLP	
HL Promotors Private Limited	
Sector 113 Gatevida Developers Private Limited (formerly Lemon Tree Land & Developers Private Limited)	
Promont Hilltop Private Limited	
Smart Value Homes (Peenya Project) Private Limited	
Ardent Properties Private Limited	
TATA Consultancy Services Limited	
TCS e-Serve International Limited	
Tata International Limited	
TATA International West Asia DMCC	
TATA Teleservices Limited	
TATA Teleservices (Maharashtra) Limited.	
Tata Communication Limited	
Tata Communications Transformation Services Limited	
Tata Communications Payment Solutions Limited	
TATA AIG General Insurance Company Limited	
Tata Africa Holdings (SA) (Proprietary) Limited	
Smart Value Homes (Boisar) Private Limited	JV of the entity exercising significant influence over the Company
TATA Sky Limited	
TATA Unistores Limited	
Land kart Builders Private Limited	
Mr. Srinivas rao K	Chief Executive Officer (Till 18 June 2018)
Mr. Neeraj Tandon	Chief Executive Officer (W.e.f 18 June 2018)
Mr. A. S. Krishnan	Chief Financial Officer
Mr. V. Sampath	Company Secretary

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Note 24 Related party disclosures (continued)

ii. Details of related party transactions

Name of the Related Party	Nature of Transaction	Amount of Transactions	
		For the year ended 31 March 2020	For the year ended 31 March 2019
Quess Corp Limited	Services rendered	63.94	26.68
	Services received	2,050.79	1,008.95
	Interest on CCD/Reimbursement of expenses paid	903.38	-
	Subscription of equity shares	19,310.74	-
	Loan/ICD received *	12,708.72	-
	Loan/ICD repaid - issue of Compulsory Convertible Debentures *	(6,900.00)	-
	Issue of Compulsory Convertible Debentures *	(7,800.00)	-
	Loan/ICD repaid *	(5,808.72)	-
	Reimbursement of expenses - received	26.93	10.07
Monster.com India Private Limited	Services rendered	-	21.92
	Services received	-	1.50
	Reimbursement of expenses - received	-	3.70
Terrier Security Service India Private Limited	Services received	795.71	543.96
Simpliance Technologies Private Limited	Services received	0.50	-
Heptagon Technologies Pvt Ltd	Services received	3.30	-
Allsec Technologies Limited	Services received	14.70	-
	Dividend received	396.19	-
Quesscorp Manpower Supply Services LLC	Services received	899.48	
TATA Sons Limited	Services rendered	197.52	172.21
	Reimbursement of expenses - received	2.54	1.36
Tata Limited	Services rendered	31.69	26.87
	Reimbursement of expenses - received	0.65	2.04
Infiniti Retail Limited	Services rendered	282.31	307.24
	Purchase of property, plant and equipment	0.49	-
	Reimbursement of expenses - received	0.35	0.24
	Reimbursement of expenses - paid	2.00	
TATA Consultancy Services Limited	Services rendered	1,115.35	1,628.36
	Reimbursement of expenses - received	36.17	62.50
Tata AIG General Insurance Company Limited	Services rendered	479.68	444.35
	Services received	116.26	82.99
	Reimbursement of expenses - received	0.75	2.85
	Claims received	-	32.20
TATA Sky Limited	Services rendered	12,149.86	14,235.34
	Reimbursement of expenses - received	528.60	778.10
TCS e-Serve International Limited	Services rendered	-	86.48
TATA Capital Financial Services Limited	Services rendered	6,373.27	7,413.78
	Services received	215.72	191.54
	Reimbursement of expenses - received	358.82	363.72
	Lease Rentals paid	643.24	739.52
	Interest on leases	9.97	-
	Interest on term loan	-	108.11
	Repayment of term loan	-	2,000.00
	Purchased of PPE	139.22	40.43
TATA Capital Housing Finance Limited	Services rendered	1,957.26	2,020.53
	Reimbursement of expenses - received	64.99	59.78
TATA Housing Development Company Limited	Services rendered	69.00	113.78
	Reimbursement of expenses - received	-	1.24
TATA Value Homes Limited	Services rendered	44.87	10.45
Kriday Realty Private Limited	Services rendered	12.52	12.46
Sector 113 Gatevida Developers Private Limited	Services rendered	17.48	19.22
Promont Hilltop Private Limited	Services rendered	8.91	6.58
Smart Value Homes (Peenya Project) Private Limited	Services rendered	10.43	3.75
Smart Value Homes (Boisar) Private Limited	Services rendered	17.66	0.47
Princeton Infrastructure Private Limited	Services rendered	2.56	4.88
HL Promotors Private Limited	Services rendered	9.09	1.23
Tata Unistore Limited	Services rendered	1,704.04	1,509.98
	Reimbursement of expenses - received	17.63	23.42

* Intercorporate deposits from holding company which is unsecured, carries an interest rate of 10%

Note 24 Related party disclosures (continued)

ii. Details of related party transactions (continued)

Name of the Related Party	Nature of Transaction	Amount of Transactions	
		For the year ended 31 March 2020	For the year ended 31 March 2019
Tata Capital Limited	Services rendered	6.08	3.37
	Services received	639.46	486.82
	Payment of Deposit	-	9.37
Tata Cleantech Capital Limited	Services rendered	9.61	12.90
	Reimbursement of expenses - received	0.01	0.19
Tata Securities Limited	Services rendered	10.10	4.52
	Reimbursement of expenses - received	0.02	0.05
Ardent Properties Pvt Ltd	Services rendered	31.34	26.73
Tata Teleservices Limited	Services rendered	88.66	80.12
	Services received	14.29	21.48
	Reimbursement of expenses - received	-	16.47
	Reimbursement of expenses- paid	133.55	132.48
Tata Teleservices (Maharashtra) Limited	Services rendered	21.44	15.21
	Services received	61.78	84.50
	Reimbursement of expenses- paid	475.83	500.65
Tata International West Asia DMCC	Services received	0.18	7.50
Tata International Limited	Services rendered	16.58	16.06
Tata Communications Limited	Services rendered	605.06	488.87
	Services received	713.31	393.59
	Reimbursement of expenses - received	51.11	28.85
	Reimbursement of expenses - paid	55.26	16.26
	Rental Income Received	22.70	22.24
Tata Communications Payment Solutions Limited	Reimbursement of expenses - received	0.12	0.15
Tata Communications Transformation Services Limited	Services rendered	1.11	20.03
Tata Africa Holdings (SA) (Proprietary) Limited	Services rendered	21.31	-
	Reimbursement of expenses - received	4.75	-
Land kart Builders Private Limited	Services rendered	38.83	1.22
	Reimbursement of expenses - received	0.23	
Key Management Personnel:			
(i) Mr. Srinivas rao K	Remuneration	-	74.56
(i) Mr. Neeraj Tandon	Remuneration	203.27	101.73
(ii) Mr. A S Krishnan	Remuneration	62.43	63.97
(iii) Mr. V Sampath	Remuneration	50.21	40.40

Break up for Compensation to key managerial personnel

	For the year ended 31 March 2020	For the year ended 31 March 2019
Short-term employee benefits*	302.07	265.52
Post-employment benefit*	13.84	15.14
	315.91	280.66

* As the future liabilities for gratuity and compensated absences is provided on an actuarial basis and payment of insurance costs are made for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable, therefore, not included above.

Note:

1. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

2. All transactions with these related parties are priced on an arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured.

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Note 24 Related party disclosures (continued)

iii. Balances due to or due from related parties as on the balance sheet date

Name of the Related Party	Nature of receivable or (payable)	Balance as at	
		31 March 2020	31 March 2019
Quess Corp Limited	Trade receivables	51.46	8.89
	Trade payables	342.58	594.14
Monster.com India Private Limited	Trade receivables	-	30.23
Terrier Security Services India Private Limited	Trade payables	142.89	165.16
Heptagon Technologies Pvt Ltd	Trade payables	1.28	-
Allsec Technologies Limited	Trade payables	14.70	-
TATA Sons Limited	Trade receivables	44.90	34.74
TATA Consultancy Services Limited	Trade receivables	299.01	298.90
Tata AIG General Insurance Company Limited	Trade receivables	50.12	99.32
	Current Loans	10.00	10.00
TATA Sky Limited	Trade receivables	881.48	2,595.74
Infiniti Retail Limited	Trade receivables	36.22	34.47
	Advance to Supplier	-	2.00
TATA Capital Financial Services Limited	Trade receivables	510.23	2,063.23
	Trade payables	181.94	161.65
	Current Loans	37.16	37.16
TATA Capital Housing Finance Limited	Trade receivables	125.90	428.75
TATA Housing Development Company Limited	Trade receivables	64.24	92.17
TATA Value Homes Limited	Trade receivables	9.57	1.32
Kriday Reality Private Limited	Trade receivables	6.40	7.23
Sector 113 Gatevida Developers Private Limited	Trade receivables	12.82	9.92
Promont Hilltop Private Limited	Trade receivables	(1.44)	3.23
Smart Value Homes (Peenya Project) Private Limited	Trade receivables	11.89	1.38
Smart Value Homes (Boisar) Private Limited	Trade receivables	6.06	0.02
HL Promotors Pvt Ltd	Trade receivables	2.10	0.21
Princeton Infrastructure Private Limited	Trade receivables	0.19	4.62
Tata Unistore Limited	Trade receivables	391.26	284.63
Tata Limited	Trade receivables	16.99	7.04
Tata Capital Limited	Trade receivables	2.76	1.56
	Trade payables	157.03	236.83
	Current Loans Receivables	9.37	9.37
Tata Cleantech Capital Limited	Advance to Customer	0.16	1.11
Tata Securities Limited	Trade receivables	1.44	2.74
Ardent Properties Pvt Ltd	Trade receivables	26.67	21.94
Tata Teleservices Limited	Trade receivables	48.63	56.24
	Advance to Supplier	6.54	20.92
Tata Teleservices (Maharashtra) Limited	Trade receivables	6.55	3.73
	Trade payables	28.72	5.63
Tata International Limited	Trade receivables	3.02	3.27
Tata Communications Limited	Trade receivables	298.71	213.15
	Trade payables	246.30	41.38
Tata Communications Payment Solutions Limited	Trade receivables	0.09	0.03
Tata Communications Transformation Services Limited	Trade receivables	1.75	32.29
Tata Africa Holdings (SA) (Proprietary) Limited	Trade receivables	18.71	-
Land kart Builders Private Limited	Trade receivables	15.19	3.78

The Company has transactions and Balances with associates of Tata Sons Private Limited as at and for the year ended 31 March 2020. We have not disclosed the same as associates of an entity having significant influence over the Company are not covered as a related party as defined in Ind As 24 "Related Parties".

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(All amounts in INR lakhs, except share data and where otherwise stated)

Note 25 Financial instruments

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

Particulars	Carrying value		Fair value 'Level
	31 March 2020	31 March 2019	
Financial assets			
Financial assets measured at amortised cost			
Non-current loans receivables	1,329 11	1,640.92	-
Trade receivable	10,643 11	11,096.27	-
Other financial assets (current and non-current)	7,556 10	8,836.54	-
Current loans receivables	646 94	390.49	-
Cash and cash equivalents	6,879.28	4,039.99	-
Total assets	**27,054.54**	**26,004.21**	-
Financial liabilities			
Financial liabilities not measured at fair value			
Borrowings including current maturities (current and non-current)	416.20	450.47	-
Trade payables	881.89	2,790.65	-
Other financial liabilities	14,253.23	14,723.94	-
Total liabilities	**15,551.32**	**17,965.06**	-

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The management assessed that the carrying amounts of financial assets and liabilities recognised in the financial statements approximate their fair values and hence no further details about the fair value measurements are given.

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(All amounts in INR lakhs, except share data and where otherwise stated)

Note 26 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

a) Credit risk ;
b) Liquidity risk ; and
c) Market risk

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current asset. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Credit risk on cash and cash equivalents and other bank balances and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loan represents security deposits/ loans given to suppliers, employees and others. The credit risk associated with such deposits/ loans is relatively low.

Trade receivables and unbilled revenue

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to two months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for customers as at 31 March 2020 and 31 March 2019 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivables from customers and unbilled revenue.

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 730 days past due. Loss rates are based on actual credit loss experience over the last eight quarters.

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	31 March 2020	31 March 2019
Balance as at the beginning of the year	420.67	542.86
Loss allowances recognised/(reversed) during the year, net	379.92	(122.19)
Balance as at the end of the year	**800.59**	**420.67**

The movement in the allowance for impairment in respect of Unbilled revenue is as follows:

Particulars	31 March 2020	31 March 2019
Balance as at the beginning of the year	-	-
Loss allowances recognised/(reversed) during the year, net	32.59	-
Balance as at the end of the year	**32.59**	-

Trade receivables of INR 10,643.11 as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment that the Management expects the collection period to be stretched in the light of the pandemic. Accordingly the ECL model has been adjusted to reflect the impact on DSO. The additional ECL on account of above assessment is INR 455.The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions

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(All amounts in INR lakhs, except share data and where otherwise stated)

Note 26 Financial risk management (continued)

b) Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually, the excess of funds is invested in fixed deposits and other financial instruments. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019:

As at 31 March 2020

Particulars	Carrying amount	Contractual cash flows			
		0-1 years	1-2 years	2-5 years	5 years and above
Borrowings*	416.20	160.91	142.47	193.56	-
Trade payables	881.89	881.89	-	-	-
Other financial liabilities	14,253.23	14,253.23	-	-	-

* includes current maturities of long-term borrowings

As at 31 March 2019

Particulars	Carrying amount	Contractual cash flows			
		0-1 years	1-2 years	2-5 years	5 years and above
Borrowings*	450.47	166.48	141.27	222.30	-
Trade payables	2,790.65	2,790.65	-	-	-
Other financial liabilities	14,723.94	14,723.94	-	-	-

* includes current maturities of long-term borrowings

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company borrowing as at 31 March 2020 and 31 March 2019 comprises only loans at fixed interest rates, which do not expose it to significant interest rate risk.

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Note 26 Financial risk management (continued)

e) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales are denominated and the respective functional currency of the Company.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to management is as follows:

Particulars	Currency	31 March 2020		31 March 2019	
		Foreign currency*	INR	Foreign currency*	INR
Trade receivables	USD	146,928.31	111.17	168,888.79	116.80
	GBP	248,072.50	231.95	97,753.50	88.50
	AED	1,157,909.42	238.53	1,431,282.00	269.51
	QAR	11,718.21	2.42	2,632.30	0.50

*Foreign currency values are in actuals and not in lakhs.

The following significant exchange rates have been applied

Currency	Year end spot rates	
	31 March 2020	31 March 2019
USD/ INR	75.67	69.16
GBP/ INR	93.50	90.53
AED/ INR	20.60	18.83
QAR/ INR	20.64	19.00

Sensitivity analysis

The profit or loss is sensitive to foreign exchange gain/ loss as a result of changes in foreign exchange rates.

	Impact on profit before tax	
	31 March 2020	31 March 2019
Foreign exchange rate - Increases by 5%	29.20	23.77
Foreign exchange rate - Decreases by 5%	(29.20)	(23.77)

Note 27 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company's adjusted net debt to equity ratio were as follows:

	As at 31 March 2020	As at 31 March 2019
Total external liabilities	35,026.12	23,029.73
Less: Cash and bank balances	7,004.28	4,164.99
Adjusted net debt (borrowings net of cash and bank balances)	**28,021.84**	**18,864.74**
Total equity	**46,993.42**	**21,629.99**
Adjusted net debt to equity ratio	**0.60**	**0.87**

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Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Notes to the financial statements (continued)
(All amounts in INR lakhs, except share data and where otherwise stated)

Note 28 Assets and liabilities relating to employee benefits

i. Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund and employee state insurance for the year is included in "contribution to provident and other funds" (refer note 20).

ii. Defined benefit plans

The Company provides its employees with the benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit.

Reconciliation of the net defined benefit asset/ liability

The following table sets out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at 31 March 2020 and 31 March 2019

Reconciliation of present value of defined benefit obligation

Particulars	31 March 2020	31 March 2019
Change in defined benefit obligation		
Obligation at the beginning of the year	1,375.81	1,097.07
Current service cost	280.15	222.02
Interest cost	97.29	82.28
Benefit paid	(278.83)	(163.42)
Actuarial loss- experience	340.59	50.67
Actuarial loss- demographic assumptions	-	-
Actuarial loss- financial assumptions	192.72	87.19
Obligation at end of the year	**2,007.73**	**1,375.81**
Change in plan assets		
Plan assets at beginning of the year, at fair value	834.19	472.48
Interest income on plan assets	58.98	35.44
Re-measurement- actuarial gain/(loss)	(44.89)	(35.46)
Contributions	250.00	525.15
Benefits paid	(278.83)	(163.42)
Plans assets at end of year, at fair value	**819.45**	**834.19**

Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	As at 31 March 2020	As at 31 March 2019
Fair value of plan assets at the end of the year	819.45	834.19
Present value of the defined benefit obligations at the end of the year	(2,007.73)	(1,375.81)
Liability recognised in the balance sheet	(1,188.28)	(541.62)

Expense recognised in statement of profit and loss

Particulars	31 March 2020	31 March 2019
Service cost	280.15	222.02
Net interest on net defined benefit liability/(asset)	38.31	46.84
Total	**318.46**	**268.86**

Expenses recognised in Other comprehensive income (OCI)

	31 March 2020	31 March 2019
Re-measurement- actuarial (gain)/loss in regard with defined benefit obligation	533.32	137.86
Re-measurement- actuarial (gain)/loss in regard with plan assets	44.89	35.46
Total	**578.21**	**173.32**

Plan assets

Plan assets comprise of the following:

	31 March 2020	31 March 2019
Funds managed by Life Insurance Corporation of India	819.45	834.19
	819.45	**834.19**

The Company makes annual contribution to the life insurance corporation ('LIC') of an amount advised by LIC. The Company was not informed by LIC of the investments made by them or the breakup of the plan assets in to various type of investments.

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(All amounts in INR lakhs, except share data and where otherwise stated)

Note 28 Assets and liabilities relating to employee benefits (continued)

Actuarial assumptions

Particulars	31 March 2020	31 March 2019
Expected return on plan assets	6.43%	7.07%
Discount rate	6.43%	7.07%
Salary escalation rate	8.30%	8.30%
Attrition rate	Service <5 40.8% Service >=5 2%	Service <5 40.8% Service >=5 2%
Retirement age	58	58

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

Future salary escalation rate: The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

Expected rate of return on plan assets: The expected return on plan assets is based on expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

Sensitivity analysis
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Gratuity Plan				
Discount rate (1 % movement)	(290.22)	359.81	(191.40)	236.36
Future salary growth (1 % movement)	349.32	(191.03)	231.01	(191.03)
Withdrawal rate (1% movement)	(68.48)	79.33	(33.93)	38.78

Maturity analysis of the benefit payments: from the fund
Projected benefits payable in future years from the date of reporting:

	31 March 2020	31 March 2019
1st Following year	58.48	44.94
2nd Following year	31.99	36.59
3rd Following year	39.86	28.00
4th Following year	63.23	46.77
5th Following year	47.76	53.67
Sum of years 6 to 10	400.47	298.43
Sum of years 11 and above	6,138.55	4,615.81

Note 29 Segment Reporting

a. Reportable Segment:

The operating segment of the Company has been identified as "Business Process Outsourcing Services includes Contact Centre Services" as the Chief Operating Decision Maker reviews the business performance at an overall Company level as one segment.

b. Geographical information:
Geographic segment of the company are services rendered within India and export of services to outside India.

	For the year ended 31 March 2020	For the year ended 31 March 2019
Segment revenue		
- Within India	93,635.20	82,185.84
- Outside India	3,959.71	3,231.23
Total	**97,594.91**	**85,417.07**
Segment assets (Non-current assets)*		
- Within India	46,665.74	11,796.53
- Outside India	-	-
Total	**46,665.74**	**11,796.53**

* *Segment assets excludes non-current tax assets and deferred tax assets, net*

c. Information about major customer
Revenue from one of the Company's Business processing outsourcing customer is INR 12,149.86 (31 March 2019: INR 15,399.93) which is more than 12.45 % (31 March 2019: 18.02%) of the Company's total revenue.

Note 30 Earnings per share (EPS)

	For the year ended 31 March 2020	For the year ended 31 March 2019
i. Nominal value of equity shares (INR per share)	10.00	10.00
ii. (Loss)/Profit attributable to equity shareholders	(8,214.62)	4,087.47
iii. Weighted average number of equity shares	141,229,789	91,508,502
Basic EPS (in INR)	**(5.82)**	**4.47**

	For the year ended 31 March 2020	For the year ended 31 March 2019
i. Nominal value of equity shares (INR per share)	10.00	10.00
ii. (Loss)/Profit attributable to equity shareholders	(8,214.62)	4,087.47
iii. Weighted average number of equity shares	141,229,789	91,508,502
Diluted EPS (in INR)*	**(5.82)**	**4.47**

*10% Compulsory Convertible Debentures are anti dilutive in nature and the same have not been considered for calculating diluted earnings per share.

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(All amounts in INR lakhs, except share data and where otherwise stated)

Note 31 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the domestic and international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by 30 November 2020, as required by law. The Management is of the opinion that its domestic and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Note 32 Leases

A. The Company leases many assets including buildings, facility assets and IT equipment. For information about leases for which the Company is a lessee refer Note 3.

Lease liabilities

Particulars	As at 31 March 2020
Maturity analysis – contractual undiscounted cash flows	
Less than one year	5,854.93
One to five years	11,947.42
More than five years	283.20
Total undiscounted lease liabilities at 31 March 2020	**18,085.55**
Lease liabilities included in the balance sheet at 31 March 2020	
Current	4,614.00
Non- current	10,589.12
	15,203.12

Amounts recognised in profit or loss

Particulars	As at 31 March 2020
Interest on lease liabilities	1,605.82
Expenses relating to short-term leases	782.76
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-
	2,388.58

Amounts recognised in the statement of cash flows

Particulars	As at 31 March 2020
Total cash outflow for leases	(4,566.09)
	(4,566.09)

The Company has not obtained any moratorium or any other changes in the terms of lease agreements as on 31 March 2020 and hence there is no impact on Right-of-use assets or lease liabilities.

B. As a lessor

Sub-letting income in respect of cancellable leases recognised in the statement of profit and loss for the year ended 31 March 2020 is INR 22.70 (31 March 19: INR 22.24) included in 'Other Income'.

C. Changes in accounting policies

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.
The Company applied Ind AS 116 with a date of initial application of 1 April 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below.

The Company applied Ind AS 116 using the modified retrospective approach,. The details of the changes in accounting policies are disclosed below.

(i) Definition of a lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under Ind AS 17. Under Ind AS 116, the Company assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 2.4.

On transition to Ind AS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied Ind AS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

(ii) As a lessee

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

The Company decided to apply recognition exemptions to short-term leases of machinery and leases of IT equipment . For leases of other assets, which were classified as operating under Ind AS 17, the Company recognised right-of-use assets and lease liabilities.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at either:
— their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application – the Company applied this approach to its largest property leases; or
— an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Company applied this approach to all other leases.

The Company used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17:
— Applied a single discount rate to a portfolio of leases with similar characteristics.
— Adjusted the right-of-use assets by the amount of Ind AS 37 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
— Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
— Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
— Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

(iii) As a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application.

Under Ind AS 116, the Company is required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset. On transition, the Company reassessed the classification of a sub-lease contract previously classified as an operating lease under Ind AS 17 and concluded that it continues to be an operating lease.

The Company applied Ind AS 115 Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease component.

(iv) Impacts on financial statements

On transition to Ind AS 116, the Company recognised an additional INR 17,113.29 of right-of-use assets and INR 16,825.66 of lease liabilities.
When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The rate applied is 10%.

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Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
Notes to the financial statements (continued)
(All amounts in INR lakhs, except share data and where otherwise stated)

Note 33 Contingent liabilities

	As at 31 March 2020	As at 31 March 2019
Claims against Company not acknowledged as Debt		
i. Service tax *	4,855.57	4,968.98
ii. Goods and Service Tax	79.99	-
ii. Other claims	305.59	292.34
	5,241.15	**5,261.32**

* The Company has received show cause notice from Directorate General of Central Excise Intelligence dated April 19, 2017 for an amount of INR 4,433.35 plus interest and penalty regarding availment of ineligible cenvat credit on services provided to the Company by the dealers of automobile companies. The Company has filed a response on 11 October 2017. The matter is pending before Central Excise and Service Tax Appellate Tribunal, Hyderabad.

The Management is of the view that the above claims are being contested by the Company and no provision is required to be made at this stage including consequential interest and penalties, if any, pending outcome of the matter.

i) The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before various tax authorities. The amounts included above represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such dispute. The Company's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial conditions. The Company has accrued appropriate provision wherever required.

ii) On 28th February 2019,the Hon'be Supreme Court of India has delivered a judgement clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. In respect of the earlier periods/years, the Company has been legally advised that there are numerous interpretative challenges on the application of the judgement retrospectively. Based on such legal advice, the management believes that it is impractical at this stage to reliably measure the impact (if any). Necessary adjustments, if any, will be made as more clarity emerges on the subject.

Note 34 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is INR 985.79 (31 March 2019: INR 96.01) [Net of Capital advances of INR 5.45 (31 March 2019: INR 5.45).

Note 35 Impact of Covid

The Company, to the extent possible has considered the risks that may result from uncertaininty related to Covid19 pandemic and its impact on carrying amounts of intangible assets, trade recievables, investments and other financial assets (Refer note 5.1(a) and Note 26). Based on Company's analysis of current indicators of the future economic conditions on its business and the estimates used in financial statements, the Company does not foresee any material imapct on recoverability of carrying value assets other than those already disclosed. The risk assessment is a continuous process and and the Company will continue to monitor the impact of changes in future economic conditions on its business.The eventual outcome of the impact of this global health pandemic may be different from those estimated as on the date of approval of these financial statements

for B S R & Associates LLP
Chartered Accountants
ICAI Firm's Registration No.: 116231W/ W- 100024

Hemant Maheshwari
Partner
Membership No.: 096537

Place: Hyderabad
Date: 25 May 2020

for and on behalf of the Board of Directors
Conneqt Business Solutions Limited
CIN: U64200TG1995PLC044060

Suraj K Moraje
Chairman
DIN: 08594844

Srinivasan Guruprasad
Director
DIN: 07596207

Neeraj Tandon
Chief Executive Officer

A.S. Krishnan
Chief Financial Officer

V. Sampath
Company Secretary

Place: Bengaluru
Date: 19 May 2020

CONNEQT BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

To,
The Members
Dependo Logistics Solutions Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Dependo Logistics Solutions 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 Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, the profit and loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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 or 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.

Jupiter-2, #190, 5th Cross, 3rd Main, MICO Layout
BTM 2nd Stage, Bangalore - 560076, INDIA.
Tel : +91 80 6816 4000
Fax : +91 80 6816 4001
Email : Info@vscaglobal.com
web : www.vscaglobal.com

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.

Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2) As required by Section 143 (3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   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 standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rule 7 of the Companies (Accounts) Rules, 2014;

   e. on the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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"; and

BANGALORE INDIA

g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

   i. the Company does not have any pending litigations and accordingly there is no impact on its financial position;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 4th May 2020
UDIN: 20205703AAAAAX5965

ANNEXURE - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Dependo Logistics Solutions private limited** of even date)

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

b. The company has a regular program of physical verification of its fixed assets by which on rotational basis, fixed assets are verified by the management on an annual basis. In our opinion, the periodicity is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification;

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property as at March 31, 2020;

ii. The Company's operations does not involve inventory. Consequently, comment on clause (ii) of the order is not applicable;

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Consequently, comment on clause (iii) of the order is not applicable;

iv. The Company has not made any loans and investments, guarantees, and security covered by provisions of Section 185 and 186 of the Act. Consequently, comment on clause (iv) of the order is not applicable.

v. The Company has not accepted any deposits from the public. Consequently, comment on clause (v) of the order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Consequently, comment on clause (vi) of the order is not applicable;

vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing material undisputed statutory dues including provident fund, employee state insurance, income-tax, goods and service tax, cess and other statutory dues, during the year with the appropriate authorities. As explained to us, the Company did not have any undisputed amounts outstanding as at last day of the financial year for a period of more than six months from the date they became payable;

b. According to the information and explanations given to us, there are no statutory dues including provident fund, employee state insurance, dues of income-tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute;

viii. The company has converted outstanding loan from its holding company to Compulsory Convertible Debentures with a tenure of ten years from the date of issue. The Company does not have any loans or borrowings from any financial institution, banks or government during the year. According to the information and explanations given to us, there have been no defaults in repayment of loan;

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Consequently, comment on clause (ix) of the Order is not applicable;

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year and accordingly the clause regarding the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, is not applicable;

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Consequently, comment on clause (xii) of the Order is not applicable;

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has converted outstanding loan from its holding company, into Compulsory Convertible Debentures during the year. This Issue has been in compliance with section 42 of the Companies Act, 2013 and the amount raised has been used for the purpose for which it was raised;

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Consequently, comment on clause (xv) of the Order is not applicable; and

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Consequently, comment on clause (xvi) of the Order is not applicable.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 4th May 2020
UDIN: 20205703AAAAAX5965

ANNEXURE B - to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Dependo Logistics Solutions Private Limited** of even date)

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 **Dependo Solutions Private Limited** ("the Company") as of **March 31, 2020** in conjunction with our audit of the standalone 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 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 standalone 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 March 31, 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 **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 4th May 2020
UDIN: 20205703AAAAAX5965

Dependo Logistics Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

(Amount in INR)

Balance Sheet	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,841,126	6,912,769
Intangible assets	3	472,067	1,627,382
Income tax assets (net)	4	7,440,127	11,334,703
		21,753,320	**19,874,854**
Current Assets			
Financial assets			
Trade and other receivables	5	28,254,320	47,094,997
Cash and cash equivalents	6	11,934,077	2,312,036
Bank balance other than above	7	1,250,000	150,000
Current loans	8	9,667,170	7,119,200
Other financial assets	9	65,921	15,622
Unbilled revenue	10	33,957,954	40,686,776
Other current assets	11	3,109,322	2,791,023
		88,238,765	**100,169,654**
Total Assets		**109,992,085**	**120,044,508**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	100,000	100,000
Other equity instruments	33	11,030	-
Other equity	13	54,430,362	(35,918,392)
Total Equity		**54,541,392**	**(35,818,392)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Other non-current financial liabilities	14	1,500,004	-
Deferred income tax liabilities	15	159,874	159,874
Non- current provisions	16	353,654	111,525
		2,013,532	**271,399**
Current liabilities			
Financial liabilities			
Borrowings	17	-	110,600,017
Trade payables	18	16,267,281	15,629,594
Other financial liabilities	19	32,061,898	22,182,226
Other current liabilities	20	4,826,097	7,090,792
Current provisions	21	281,884	88,871
		53,437,161	**155,591,501**
Total Equity and Liabilites		**109,992,085**	**120,044,508**

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No.: 004542S/ S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 4 May 2020

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

for and on behalf of the Board of Directors of
Dependo Logistics Solutions Private Limited

S. Ramakrishnan

Subramanian Ramakrishnan
Director
DIN: 03522114

Place: Bengaluru
Date: 4 May 2020

Srinivasan Guruprasad
Director
DIN: 07596207

Place: Bengaluru
Date: 4 May 2020

Dependo Logistics Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

(Amount in INR)

Statement of profit and loss	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	22	658,558,375	603,282,314
Other income	23	427,614	7,454
Total Income		**658,985,989**	**603,289,768**
Expenses			
Employee benefits expense	24	12,953,185	6,636,307
Finance costs	25	6,638,155	3,777,797
Depreciation and amortisation expense	26	5,301,027	3,604,381
Other expenses	27	664,512,338	627,039,690
Total expenses		**689,404,705**	**641,058,175**
Profit/(loss) before tax		**(30,418,716)**	**(37,768,407)**
Tax expense	4		
Current tax		-	-
Adjustments of tax relating to earlier periods		-	-
Deferred tax		-	-
Profit/(loss) for the year		**(30,418,716)**	**(37,768,407)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		-	-
Other comprehensive income for the period		-	-
Deferred tax		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**(30,418,716)**	**(37,768,407)**
Earnings per equity share (face value of Rs 10 each)	32		
Basic		(3,042)	(3,777)
Diluted		(2,740)	(3,777)

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No.: 004542S/ S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 4 May 2020

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

for and on behalf of the Board of Directors of
Dependo Logistics Solutions Private Limited

S. Ramakrishnan

Subramanian Ramakrishnan
Director
DIN: 03522114

Place: Bengaluru
Date: 4 May 2020

Srinivasan Guruprasad
Director
DIN: 07596207

Place: Bengaluru
Date: 4 May 2020

Dependo Logistics Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

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

a) Equity Share Capital and Other Equity *(Amount in INR)*

Particulars	Share Capital	Other equity		Total Equity attributable to Equity holders of the Company
		Retained Earnings	Securities premium account	
Balance as at 1 April 2018	100,000	1,850,016	-	1,950,016
Add: Securities Premium received on issue of CCD	-	-	-	-
Add: Profit / (loss) for the year	-	(37,768,407)	-	(37,768,407)
Balance as of 31 March 2019	**100,000**	**(35,918,392)**	-	**(35,818,392)**
Balance as at 1 April 2019	**100,000**	**(35,918,392)**	-	**(35,818,392)**
Add: Securities Premium received on issue of CCD	-	-	120,767,470	**120,767,470**
Add: Profit / (loss) for the year	-	(30,418,716)	-	**(30,418,716)**
Balance as at 31 March 2020	**100,000**	**(66,337,108)**	**120,767,470**	**54,530,362**

b) Instruments entirely equity in nature

Compulsorily Convertible debentures

Balance at the beginning of the reporting period	Changes in compulsorily convertible debentures during the period	Balance at the end of the reporting period
-	11,030	**11,030**
Total Equity (a+b)		**54,541,392**

As per our report of even date attached
for Vasan and Sampath LLP
Chartered Accountants
Firm's Registration No: 004542S/S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 4 May 2020

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
Dependo Logistics Solutions Private Limited

S. Ramakrishnan

Subramanian Ramakris
Director
DIN: 03522114

Place: Bengaluru
Date: 4 May 2020

Srinivasan Guruprasad
Director
DIN: 07596207

Place: Bengaluru
Date: 4 May 2020

Dependo Logistics Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

(Amount in INR)

Statement of Cash Flows	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Cash flow from operating activities		
Profit / (Loss) for the year	(30,418,716)	(37,768,407)
Adjustments for:		
Depreciation and amortisation	5,301,027	3,604,381
Finance costs	6,638,155	3,777,797
Operating cash flows before working capital changes	**(18,479,534)**	**(30,386,229)**
Working capital adjustments:		
Changes in:		
Loans, other financial assets and other assets	(2,916,569)	(6,940,887)
Trade receivables and unbilled revenue	25,569,499	(44,629,240)
Trade payables and other financial liabilities	9,056,412	(16,039,065)
Other liabilities and provisions	(1,829,553)	6,972,813
Cash generated from operations	**11,400,254**	**(91,022,608)**
Direct taxes paid, net of refund	3,894,577	(6,721,475)
Net cash (used in) / provided by operating activities (A)	**15,294,831**	**(97,744,083)**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale	(6,983,504)	(8,967,439)
Bank deposits (having original maturity of more than three months)	(1,100,000)	-
Net cash (used in) investing activities (B)	**(8,083,504)**	**(8,967,439)**
Cash flows from financing activities		
Proceeds from/ (repayment of) borrowings	(110,600,017)	110,600,017
Finance costs paid	(6,638,155)	(3,777,797)
Proceeds from issue of equity shares, net of issue expenses	120,778,500	-
Lease Liability Paid	(1,129,613)	-
Net cash (used in) / provided by financing activities (C)	**2,410,715**	**106,822,220**
Net increase in cash and cash equivalents (A+B+C)	9,622,041	110,699
Cash and cash equivalents at the beginning of the year	2,312,036	2,201,337
Cash and cash equivalents at the end of the year (refer note 6)	**11,934,077**	**2,312,036**

As per our report of even date attached
for Vasan and Sampath LLP
Chartered Accountants
Firm's Registration No: 004542S/S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 4 May 2020

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
Dependo Logistics Solutions Private Limited

S. Ramakrishnan

Subramanian Ramakrishnan
Director
DIN: 03522114

Place: Bengaluru
Date: 4 May 2020

Srinivasan Guruprasad
Director
DIN: 07596207

Place: Bengaluru
Date: 4 May 2020

Dependo Logistics Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

Notes to the Financial Statements for the year ended 31 March 2020

1. Company overview
Dependo Logistics Solutions Private Limited ('Dependo' or 'the Company') was incorporated on 8 September 2016 under the Companies Act, 2013. The Company is a wholly owned subsidiary of Quess Corp Limited ("Holding Company"). The Company is engaged in the business of logistics and logistic solution services.

2.1 Significant accounting policies

2.1.1 Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (IndAS), the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company's Ind AS financial statements are approved for issue by the Company's Board of Directors on 4th May 2020

The Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.1.2 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following assets and liabilities which have been measured at fair value:

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);
ii. Defined benefit and other long-term employee benefits are based on management estimates ;

2.1.3 Use of estimates and judgment
The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Income taxes: Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.The ultimate realisation of deferred income tax assets, including Minimum Alternate Tax (MAT), is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities and the projected future taxable income in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

ii) Impairment of financial assets: The Company assesses on a forward-looking basis the expected credit losses associated with financial assets carried at amortised cost.

iii) Measurement of defined benefit obligations: For defined benefit obligations, the cost of providing benefits is determined based on mangaemnet estimation.

iv) Other estimates: The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

v) Property, plant and equipment and Intangible assets: The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically Ind AS 103 requires the identifiable intangible assets acquired in business combinations to be fair valued and significant estimates are required to be made in determining the value of intangible assets. These valuations are conducted by independent experts.

2.2 Summary of significant accounting policies

2.2.1 Foreign currency transactions and balances

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

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DEPENDO LOGISTICS SOLUTIONS PVT. LTD.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

2.2.2 Financial instruments

2.2.2.1 Recognition and initial measurement
Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Regular way purchase and sale of financial assets are accounted for at trade date.

2.2.2.2 Subsequent measurement

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(a) Non- derivative financial instruments

(i) Financial assets carried at amortized cost
A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are reclassified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Equity instruments at fair value through other comprehensive income
All equity instruments are measured at fair value. Equity instruments held for trading is classified as fair value through profit and loss. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at fair value through other comprehensive income, then all fair value changes on the instrument, excluding dividend are recognized in other comprehensive income which is not subsequently recycled to statement of profit and loss.

(iv) Financial assets at fair value through profit or loss
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

b) Classification and subsequent measurement (continued)
All financial assets not classified at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.
Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

(v) Financial liabilities
Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statement of profit and loss. Other financial liabilities subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the consolidated statement of profit and loss. Any gain or loss is also recognized in the consolidated statement of profit and loss.

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DEPENDO LOGISTICS SOLUTIONS PVT. LTD.

(b) Share Capital
Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable other issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

2.2.2.3 De - Recognition of financial instruments
A financial asset is derecognised only when:
- The Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.
Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

2.2.3 Fair Value of Financial Instruments
In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

2.2.4 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment on straight line basis over the useful lives of assets estimated by the Management. Depreciation for assets purchased/sold during the period is proportionately charged. The useful lives are as below:

Category	Useful life
Plant and machinery	3 years
Computer equipment	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	3 years
Leasehold improvements*	As per lease term

*Leasehold improvement are amortized over the lower of useful life of the assets and lease term of the leasehold premises on a straight-line basis.

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

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'.

2.2.5 Intangible assets

Application software purchased, which is not an integral part of the related hardware, is shown as intangible assets and amortized on a straight line basis over its useful life, not exceeding three years, as determined by management.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The estimated useful lives of intangibles are as follows:

Category	Useful life
Software	3 years

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2.2.6 Leases

Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The company has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The company's lease asset classes primarily consist of Building. The company assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate (As at 1 April 2019 - 9.5%).

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

Practical expedients adopted on initial recognition:
1. The agreements maturing within 12 months from the initial application of Ind AS 116, are not considered.
2. Single discount rate is applied to a portfolio of leases with reasonably similar characteristics on the date of initial application.
3. Value of initial direct costs (such as Stamp Duty, registration costs etc. already paid) excluded from the measurement of ROUA.

2.2.7 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit

b. Non-financial assets

Intangible assets and property, plant and equipment
Intangible assets and property, plant and equipment 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 asset to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.2.8 Employee benefit

(a) Defined benefit plans
For defined benefit plans, the cost of providing benefits is determined based on **Management estimate** being carried out at each balance sheet date.

(b) Short term benefit plans
Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. shortterm cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employees, and the amount of obligation can be estimated reliably.

(c) Compensated absences
The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized based on **Management estimates** as at the balance sheet date.

(d) Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

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(e) Termination benefits
Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.2.9 Provisions (other than employee benefits)
Provisions are recognized when the Company has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.
A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

2.2.10 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.2.11 Revenue

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts are recognised as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation. Certain arrangements are on time and material basis and are recognised as the services are performed as per the terms of the arrangement with the customer.

2.2.11 Revenue (continued)

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Refer Note 28 for disclosure related to revenue from contracts with customers.

Policy in case of Unbilled revenue and unearned revenue
Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Policy in case of Contract modifications
Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Policy in case of variable consideration
The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Policy in case of warranties
The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of service delivery costs.

Policy in case of cost of obtaining a contract
Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term.

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Policy in case of cost of fulfilling a contract

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

Policy in case of significant financing component

The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

2. Other income

Other income mostly comprises interest income on deposits, interest income on Income Tax refund, dividend income and gain/ (losses) on disposal of financial assets and non-financial assets. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

2.2.12 Cost recognition

Costs and expenses are recognized when incurred and have been classified according to their primary nature.

2.2.13 Finance costs

Interest expense consist of interest expense on loans and borrowings and other statutory interest paid. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

2.2.14 Income tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized 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 income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements 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 tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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 recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized 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 utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.2. 15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.2.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.2.17 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding 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.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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3 Property, plant and equipment

Particulars	Furniture and fixtures	Office equipment	Vehicles	Plant and machinery	Computer equipment	ROU Building	Total
Gross block :							
As at 1 April 2018	**4,12,221**	**5,35,311**	-	**28,438**	**8,26,077**	-	**18,02,046**
Additions during the year	26,55,676	42,50,879	-	1,35,122	9,59,662	-	80,01,339
Disposals for the year							-
As at 31 March 2019	**30,67,897**	**47,86,190**	-	**1,63,560**	**17,85,739**	-	**98,03,385**
Additions during the year	**4,16,915**	**39,26,373**	**2,17,880**	**78,325**	**23,44,011**	**40,90,565**	**1,10,74,069**
Disposals for the year							-
As at 31 March 2020	**34,84,812**	**87,12,563**	**2,17,880**	**2,41,885**	**41,29,750**	**40,90,565**	**2,08,77,454**
Accumulated depreciation							-
As at 1 April 2018	**73,122**	**1,04,759**	-	**6,127**	**1,07,612**	-	**2,91,620**
Charge for the year	8,46,376	11,59,927	-	30,082	5,62,611	-	25,98,996
Disposals during the year							-
As at 31 March 2019	**9,19,498**	**12,64,686**	-	**36,209**	**6,70,223**	-	**28,90,616**
Charge for the year	**6,38,014**	**12,34,596**	**14,759**	**73,499**	**9,53,664**	**12,31,180**	**41,45,712**
Disposals during the year							-
As at 31 March 2020	**15,57,512**	**24,99,282**	**14,759**	**1,09,708**	**16,23,887**	**12,31,180**	**70,36,328**
Net Block :							
As at 31 March 2020	**19,27,300**	**62,13,281**	**2,03,121**	**1,32,177**	**25,05,862**	**28,59,385**	**1,38,41,126**
As at 31 March 2019	**21,48,399**	**35,21,504**	-	**1,27,351**	**11,15,515**	-	**69,12,769**

Other intangible assets

Particulars	Computer software
Gross block	
As at 1 April 2018	**25,00,000**
Additions during the year	9,66,100
Disposals for the year	-
As at 31 March 2019	**34,66,100**
Additions during the year	-
Disposals for the year	-
As at 31 March 2020	**34,66,100**
Accumulated amortisation	
As at 1 April 2018	**8,33,333**
Charge for the year	10,05,385
Disposals during the year	-
As at 31 March 2019	**18,38,718**
Charge for the year	**11,55,315**
Disposals during the year	-
As at 31 March 2020	**29,94,033**
Net Block :	
As at 31 March 2020	**4,72,067**
As at 31 March 2019	**16,27,382**

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4 Taxes

A Amount recognised in profit or loss

(Amount in INR)

Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Current tax:		
In respect of the current period	-	-
Excess provision related to prior years	-	-
Deferred tax:		-
Attributable to:		-
Origination and reversal of temporary differences	-	-
Increase/ reduction of tax rate	-	-
Income tax expense reported in the Statement of Profit and Loss	-	-

B Reconciliation of effective tax rate

(Amount in INR)

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Rate	Amount	Rate	Amount
Profit/ (Loss) before tax		(3,04,18,716)		(3,77,68,407)
Tax using the Company's domestic tax rate	26.00%	(79,08,866)	27.82%	(1,05,07,171)
Effect of:				
Non-deductible expenses	0.00%	-	0.00%	-
Deferred tax credit not recognised	-26.00%	79,08,866	-27.82%	1,05,07,171
Effective tax rate	**0.00%**	-	**0.00%**	**(0.00)**
Less: Excess provision related to prior years	-	-	0.00%	-
Income tax expense reported in the Statement of Profit and Loss	**0.00%**	-	**0.00%**	**(0)**

C The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019:

Non-current tax assets (net)

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets	74,40,127	1,13,34,703
Income tax liabilities	-	-
Net income tax assets at the end of the year	**74,40,127**	**1,13,34,703**

Current tax liabilities (net)

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets	-	-
Income tax liabilities	-	-
Net income tax liabilities at the end of the year	-	-

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D Deferred tax assets, net

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax assets:		
Impairment loss allowance on financial assets	-	-
Provision on employee benefits- Gratuity	-	-
Provision on employee benefits- Compensated absences	-	-
Deffered Tax on Bonus	-	-
Deferred Tax others	-	-
Business loss current year and carried forwrad	-	-
Unabosrbed Depreciation current year and carried forward	-	-
Deffered tax on fixed assets	-	-
Minimum alternate tax credit entitlement	-	-
Net deferred tax assets	-	-

E Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in INR)

For the year ended 31 March 2020	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:					
Impairment loss allowance on financial assets	-	-	-	-	-
Provision for employee benefits	-	-	-	-	-
Provision for disputed claims	-	-	-	-	-
Provision for rent escalation	-	-	-	-	-
Others	-	-	-	-	-
Business loss cureent year and carried forwrad	-	-	-	-	-
Unabosrbed Depreciation current year and carried forward			-		-
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	(159,874)	-	-	-	(159,874)
Net deferred tax assets	**(159,874)**	-	-	-	**(159,874)**

(Amount in INR)

For the year ended 31 March 2019	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:					
Impairment loss allowance on financial assets	-	-	-	-	-
Provision for employee benefits	-	-	-	-	-
Provision for disputed claims	-	-	-	-	-
Provision for rent escalation	-	-	-	-	-
Others	-	-	-	-	-
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	(159,874)	-	-	-	(159,874)
Net deferred tax assets	**(159,874)**	-	-	-	**(159,874)**

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4 Income tax assets (net)

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance income tax	7,440,127	11,334,703
	7,440,127	**11,334,703**

5 Trade receivables

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Considered good	43,600,815	47,094,997
Allowance for expected credit loss (Refer Note 39)	(15,346,495)	-
	28,254,320	**47,094,997**

6 Cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
Balances with banks		
In current accounts	11,934,077	2,312,036
	11,934,077	**2,312,036**

7 Other bank balances

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
In deposit accounts (mature within 12 months from the reporting date)	1,250,000	150,000
	1,250,000	**150,000**

8 Current loans

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured and considered good)		
Security deposits	9,667,170	7,119,200
	9,667,170	**7,119,200**

9 Other financial assets

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured and considered good)		
Interest accrued but not due	65,921	15,622
	65,921	**15,622**

10 Unbilled revenue

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Unbilled revenue	33,957,954	40,686,776
	33,957,954	**40,686,776**

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Notes to the financial statements for the year ended 31 March 2020

11 Other current assets

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured and considered good)		
Advances other than capital advances		
Advances to employees	297,146	161,057
Others		
Prepaid expenses	2,812,176	2,629,966
	3,109,322	**2,791,023**

12 Equity share capital

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
10,000 equity shares of par value of Rs 10 each	100,000	100,000
	100,000	**100,000**
Issued, subscribed and paid-up		
10,000 equity shares of par value of Rs 10 each, fully paid up	100,000	100,000
	100,000	**100,000**

12.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in INR	Number of shares	Amount in INR
Equity shares				
At the commencement of the year	10,000	100,000	10,000	100,000
Shares issued on exercise of employee stock optic	-	-	-	-
Shares issued during the year	-	-	-	-
Right issue	-	-	-	-
Bonus issue	-	-	-	-
At the end of the year	**10,000**	**100,000**	**10,000**	**100,000**

12.2 Shares held by holding company

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in INR	Number of shares	Amount in INR
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	9,999	99,990	9,999	99,990
	9,999	**99,990**	**9,999**	**99,990**

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	9,999	99.99%	9,999	99.99%
	9,999		**9,999**	

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12.4 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each equity holder is entitled to one vote per share. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of preferential amounts if any, in proportion to the number of equity shares held.

13 Other equity

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Securities premium account	120,767,470	-
Retained earnings*	(66,337,108)	(35,918,392)
	54,430,362	**(35,918,392)**

*For detailed movement of retained earnings refer Statement of changes in equity

14 Other non-current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Lease liability (refer note 29)	1,500,004	-
	1,500,004	**-**

15 Deferred income tax liabilities

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred income tax liabilities	159,874	159,874
	159,874	**159,874**

16 Non-current provisions

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefit		
Provision for gratuity	353,654	111,525
	353,654	**111,525**

17 Current borrowings

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Loans from bank repayable on demand		
From Quess Corp Limited (refer note 33)	-	110,600,017
	-	**110,600,017**

Loan from Quess Corp Limited carrying an interest rate equal to that of 10 year government bond, on a monthly basis, on actual amount utilised, and is repayable on demand.

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18 Trade payables

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Dues to micro, small and medium enterprises (refer note 35)	-	-
Dues to other than micro, small and medium enterprises*	16,267,281	15,629,594
	16,267,281	**15,629,594**
* includes payable to related parties (refer note 34(iii))	1,171,921	

As on 31 March 2020 and 31 March 2019, there are no outstanding amounts due to micro and small enterprises. There are no interests due or outstanding on the same.

19 Other current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Other Payables		
Accrued salaries and benefits	945,801	670,830
Lease liability (refer note 29)	1,460,947	-
Accrued expenses	29,655,150	21,511,396
	32,061,898	**22,182,226**

20 Other current liabilities

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances payable to government authorities	2,989,371	5,929,525
Other payables	1,836,726	1,161,267
	4,826,097	**7,090,792**

21 Current provisions

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Provision for compensated absences	281,884	88,871
	281,884	**88,871**

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Notes to the financial statements for the year ended 31 March 2020

22 Sale of services

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Rendering of logistics services and solutions (refer note 28)	658,558,375	603,282,314
	658,558,375	**603,282,314**

23 Other income

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest on fixed deposit	50,300	7,454
Interest on IT refund	377,314	-
	427,614	**7,454**

24 Employee benefits expense

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	10,028,770	4,983,155
Contribution to provident and other funds	764,719	460,559
Gratuity	242,129	111,525
Compensated absences	193,013	88,871
Staff welfare expenses	1,724,554	992,197
	12,953,185	**6,636,307**

25 Finance costs

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense	6,626,055	3,777,797
Other borrowing costs	12,100	-
	6,638,155	**3,777,797**

26 Depreciation and amortisation expense

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 3)	4,145,712	2,598,996
Amortisation of intangible assets (refer note 3)	1,155,315	1,005,385
	5,301,027	**3,604,381**

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27 Other expenses

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Shipment delivery Charges	58,09,76,751	54,11,40,076
Equipment hire charges	2,29,49,627	1,05,82,616
Allowance for credit loss (refer note 39)	1,53,46,495	-
Rent (refer note 29)	1,42,74,483	1,00,41,416
Insurance	54,78,339	24,43,181
Security expenses	47,48,334	79,06,645
Legal and professional fees*	47,16,700	63,62,589
Sub-contractor charges	47,10,454	4,01,37,245
Verification/ compliance management expenses	28,67,712	27,80,469
Miscellaneous expenses	25,97,242	14,17,860
Repairs & Maintenance		
- plant and machinery	6,10,597	3,15,217
- buildings	18,00,418	18,18,911
- others	2,73,117	41,493
Travelling and conveyance	13,48,904	6,20,861
Power and fuel	8,57,051	4,96,159
Communication expenses	5,13,660	4,26,624
Printing and stationery	3,57,071	2,85,349
Rates and taxes	54,541	60,042
Bank Charges	20,605	17,610
Business promotion expenses	10,237	1,43,770
Bad debts written off	-	1,558
	66,45,12,338	**62,70,39,690**

***Payment to auditors (net of GST; included in legal and professional fees)**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit fees	3,00,000	1,50,000
	3,00,000	1,50,000

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28 Revenue from Contracts with customers

(i) Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables'	43,600,815	47,094,997
Contract assets (Unbilled revenue)	33,957,954	40,686,776
Contract liabilities (Unearned revenue & Advance r'd from customers)	-	-

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2020

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning	40,686,776	33,615,129
Add : Revenue recognized during the period	578,930,242	533,694,120
Less : Invoiced during the period	(585,659,064)	(526,622,473)
Less : Impairment / (reversal) during the period	-	-
Add: Changes due to Business Combinations	-	-
Add : Translation gain/(Loss)	-	-
Balance at the end	**33,957,954**	**40,686,776**

The following table discloses the movement in unearned revenue (contract liabilities) balances for the year ended 31 March 2020

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning	-	-
Add : Reclassified from assets held for sale	-	-
Less: Revenue recognized during the period	-	-
Add: Changes due to Business Combinations	-	-
Add: Invoiced during the period but not recognized as revenues	-	-
Add: Translation loss / (gain)	-	-
Balance at the end	-	-

(ii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for
(i) contracts with an original expected duration of one year or less and
(ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2020, other than those meeting the exclusion criteria mentioned above, is Nil.

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29 Lease liability

(Amount in INR)

Particulars	As at 31 March 2020
Current lease liability	1,460,947
Non-current lease liability	1,500,004
Total	**2,960,951**

The following is the movement in lease liabilities *(Amount in INR)*

Particulars	As at 31 March 2020
Operating lease recognised on adoption of Ind AS 116	2,120,071
Reclassification on adoption of Ind AS 116	-
Add: Additions	1,970,494
Add: Finance cost accrued during the period	252,782
Less: Payment of lease obligation	1,382,396
Carrying amount as at 31 March 2020	**2,960,951**

Amount recognised in PL *(Amount in INR)*

Particulars	For the year ended
Interest expense (included in finance cost)	252,782
Expenses relating to short-term lease (included in other expenses)	14,274,483
	14,527,265

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2020 on an undiscounted basis:

(Amount in INR)

Particulars	As at 31 March 2020
Less than one year	1,717,596
One to five years	1,567,271
More than five years	-
	3,284,867

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30 Capital commitments

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
	-	-

31 Contingent liabilities and Commitments

Particulars	As at 31 March 2020	As at 31 March 2019
Contingent liabilities		
Claims against company not acknowledged as Debts	-	-
	-	-

32 Earnings per share

(Amount in INR except number of shares)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Nominal value of equity shares	100,000	100,000
Net profit after tax for the purpose of earnings per share	(30,418,716)	(37,768,407)
Weighted average number of shares used in computing basic earnings per share	10,000	10,000
Basic earnings per share	**(3,042)**	**(3,777)**
Weighted average number of shares used in computing diluted earnings per share	11,103	10,000
Diluted earnings per share	**(2,740)**	**(3,777)**

Computation of weighted average number of shares

(Figures in numbers)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Number of equity shares outstanding at beginning of the year	10,000	-
Number of equity shares outstanding at beginning of the previous year after right issue and bonus issue	-	-
Add: Weighted average number of equity shares issued during the year	-	10,000
Weighted average number of shares outstanding at the end of year for computing basic earnings per share	10,000	10,000
Add: Impact of potentially dilutive equity shares	**1,103**	-
Weighted average number of shares outstanding at the end of year for computing diluted earnings per share	**11,103**	**10,000**

33 Instruments entirely equity in Nature

a) Reconciliation of number of compulsorily convertible debentures outstanding at the beginning and at the end of reporting period

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	No.	**Amount in INR**	**No.**	**Amount in INR**
Compulsorily Convertible Debentures	1103	11,030	-	-

b) The rights, preferences and restrictions attaching to compulsorily convertible debentures issued to Quess Corp Limited, holding company including restrictions if any :

The Company has one class of compulsorily convertible debentures of Rs 10 per CCD. These CCDs are unsecured and carry a discretionary coupon of 10% per annum. The CCDs shall have a tenure of 10 years from the date of issue. The holder of these CCDs shall have the right to convert any or all of the CCDs, any time during the tenure of CCDs. CCDs outstanding at the end of the tenure shall be automatically be converted into Equity shares of the Company. These CCDs shall be converted to 1 fully paid up equity shares of every CCD instrument.

(c) Particulars of compulsorily convertible debentures held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company:

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	No.	**Amount in INR**	**No.**	**Amount in INR**
Quess corp Limited , holding company	1103	11,030	-	-

(d) CCD holders holding more than 5% of compulsorily convertible debentures along with the total number of CCDs held at the beginning and at the end of the reporting period is as given below

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	No.	**% of holding**	**No.**	**% of holding**
Quess corp Limited , holding company	1103	100	-	-

34 Related party disclosures

(i) Name of related parties and description of relationship:

- Holding Company	Quess Corp Limited
- Entities having significant influence	Fairfax Financial Holdings Limited Fairfax (US) Inc. HWIC Asia Fund Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019) Thomas Cook (India) Limited (upto 6 December 2019) Fairfax (US) Inc. National Collateral Management Services Limited

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- Subsidiaries, associates and joint venture	Refer note (ii)
- Entity having common directors	Conneqt Business Solutions Limited Qdigi Services Limited Vedanga Cellular Services Private Limited Simpliance Technolgies Private Limited Terrier Security Services (India) Private Limited Heptagon Technologies Private Limited Trimax Smart Infraprojects Private Limited Golden Star Facilities and Services Private Limited Master Staffing Solutions Private Limited Quess Corp Lanka (Private) Limited Quess Global (Malayasia) Sdn. Bhd MFX Infotech Private Limited Excelus Learning Solutions Private Limited Greenpiece Landscapes India Private Limited Monster.com (India) Private Limited Monster.com SG Pte Limited Monster.com HK Limited Net Resource Investments Private Limited Quess East Bengal FC Private Limited Brainhunter Systems Ltd. Comtel Solutions Pte. Ltd. Comtelpro Pte. Limited. Ikya Business Services Private Limite, Srilanka MfXchange Holdings Inc, MfXchange US Inc, Quess (Philippines) Corp. Quess Corp (USA) Inc. Quesscorp Holdings Pte. Ltd. Brainhunter Systems Ltd. MFX Chile SpA Quess Corp Vietnam LLC

(ii) List of subsidiaries (including step-subsidiaries), associates and joint venture of Holding company

Name of the entity	Nature of relation	Country of domicile
Coachieve Solutions Private Limited[1]	Fellow Subsidiary	India
MFX Infotech Private Limited	Fellow Subsidiary	India
Aravon Services Private Limited[1]	Fellow Subsidiary	India
Brainhunter Systems Ltd.	Fellow Subsidiary	Canada
Mindwire Systems Limited	Fellow Subsidiary	Canada
Quess (Philippines) Corp.	Fellow Subsidiary	Philippines
Quess Corp (USA) Inc.	Fellow Subsidiary	USA
Quesscorp Holdings Pte. Ltd.	Fellow Subsidiary	Singapore
Quess Corp Vietnam LLC	Fellow Subsidiary	Vietnam
Quessglobal (Malaysia) SDN. BHD.	Fellow Subsidiary	Malaysia
Quess Corp Lanka (Private) Limited	Fellow Subsidiary	Sri Lanka
Comtel Solutions Pte. Ltd.	Fellow Subsidiary	Singapore
MFXchange Holdings, Inc.	Fellow Subsidiary	Canada
MFXchange US, Inc.	Fellow Subsidiary	USA
MFX Chile SpA	Fellow Subsidiary	Chile
Dependo Logistics Solutions Private Limited	Fellow Subsidiary	India
CentreQ Business Services Private Limited[1]	Fellow Subsidiary	India
Excelus Learning Solutions Private Limited	Fellow Subsidiary	India
Conneqt Business	Fellow Subsidiary	India
Vedang Cellular Services Private Limited	Fellow Subsidiary	India
Golden Star Facilities and Services Private Limited	Fellow Subsidiary	India
Comtelpro Pte. Limited.	Fellow Subsidiary	Singapore
Comtelink Sdn. Bhd	Fellow Subsidiary	Malaysia
Monster.com (India) Private Limited	Fellow Subsidiary	India
Monster.com.SG PTE Limited	Fellow Subsidiary	Singapore
Monster.com HK Limited	Fellow Subsidiary	Hong Kong
Agensi Pekerjaan	Fellow Subsidiary	Malaysia
Quesscorp Management	Fellow Subsidiary	Dubai, UAE
Quesscorp	Fellow Subsidiary	Dubai, UAE
Qdigi Services	Fellow Subsidiary	India
Greenpiece Landscapes India Private Limited	Fellow Subsidiary	India
Simpliance Technologies Private Limited	Fellow Subsidiary	India
Allsec Technologies Limited	Fellow Subsidiary	India
Allsectech Inc., USA	Fellow Subsidiary	USA
Allsectech Manila Inc., Philippiness	Fellow Subsidiary	Philippines
Retreat Capital Management Inc., USA	Fellow Subsidiary	USA
Trimax Smart Infraprojects Private Limited	Fellow Subsidiary	India

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Quess Corp Services Limited	Fellow Subsidiary	Bangladesh
Terrier Security Services (India) Private Limited	Fellow Associate	India
Heptagon Technologies Private Limited	Fellow Associate	India
Quess East Bengal FC Private Limited	Fellow Associate	India
Quess Recruit, Inc.	Fellow Associate	Philippines
Agency Pekerjaan Quess Recruit SDN. BHD.	Fellow Associate	Malaysia
Himmer Industrial Services (M) SDN. BHD.	Fellow Joint venture	Malaysia

1. Merged w.e.f 1 April 2019 pursuant to approval from the Regional Direcor, South East Region, MCA.

Key executive management personnel

Name	Designation
Subrata Kumar Nag	Group CEO & Director (Resigned office on 31st Mar 2020)
Srinivasan Guruprasad	Director
Subramanian Ramakrishnan	Director (w.e.f 31st Mar 2020)

(ii) Related party transactions during the year

(Amount in INR)

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Finance costs			
- Interest expense	Quess Corp Limited	3,793,695	3,777,797
Payment made by related parties on behalf of the Company	Quess Corp Limited	1,158,423	4,025,355
Other expenses			
- Security Expense	Terrier Security Services (India) Private Limited	6,395,214	7,856,039
- Professional fees	Heptagon Technologies Private Limited	1,853,138	1,348,985
- Sub-contractor charges	Quess Corp Limited	4,710,454	39,318,649
Loans received from related parties	Quess Corp Limited	181,000,000	265,300,000
Loans repaid/Converted to CCD to related parties	Quess Corp Limited	195,000,000	202,100,000

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in INR)

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Unsecured Loan (including interest)	Quess Corp Limited	-	110,600,017
Trade payables (inclusive of provisions)	Terrier Security Services (India) Private Limited	1,053,671	3,085,401
	Heptagon Technologies Private Limited	118,250	4,039,288

(iv) Compensation of key managerial personnel

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Srinivasan Guruprasad	-	-
Subrata Kumar Nag	-	-
Subramanian Ramakrishnan	-	-
	-	-

35 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2020 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

36 *Segment reporting*

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The company is into logistics business and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The company's management is of the opinion that the company does not have secondary segments and hence segment reporting is not applicable.

37 Impact on COVID

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

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38 Financial instruments - fair value and risk management

Financial instruments by category

Particulars	Note	31 March 2020			31 March 2019		
		FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets:							
Loans	8	-	-	9,667,170	-	-	7,119,200
Trade receivables	5	-	-	28,254,320	-	-	47,094,997
Cash and cash equivalents including other	6,7	-	-	13,184,078	-	-	2,462,036
Unbilled revenue	10	-	-	33,957,954	-	-	40,686,776
Other financial assets	9	-	-	65,921	-	-	15,622
Total financial assets		-	-	**85,129,443**	-	-	**97,378,631.00**
Financial Liabilities:							
Lease liability	14	-	-	1,500,004	-	-	-
Trade payables	18	-	-	16,267,281	-	-	**15,629,594**
Other financial liabilities	19	-	-	32,061,898	-	-	**22,182,226**
Total financial liabilities		-	-	**49,829,184**	-		**148,411,838**

*Current maturities of long-term borrowings forms part of other financial liabilities

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

As at 31 March 2020 *(Amount in INR)*

Particulars	Carrying amount	Fair value		
	31-Mar-20	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Trade receivables	28,254,320	-	-	-
Cash and cash equivalents	11,934,077	-	-	-
Bank balance other than above	1,250,000	-	-	-
Current loans	9,667,170	-	-	-
Other financial assets	65,921	-	-	-
Unbilled revenue	33,957,954	-	-	-
Total financial assets	**85,129,443**	-		-
Financial liabilities measured at amortised cost				
Borrowings other than above	-	-	-	-
Trade payables	16,267,281	-	-	-
Other financial liabilities	33,561,902	-	-	-
Total financial liabilities	**49,829,184**	-	-	-

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As at 31 March 2019 *(Amount in INR)*

Particulars	Carrying amount	Fair value		
	31-Mar-19	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Trade receivables	47,094,997	-	-	-
Cash and cash equivalents	2,312,036	-	-	-
Bank balance other than above	150,000	-	-	-
Current loans	7,119,200	-	-	-
Other financial assets	15,622	-	-	-
Unbilled revenue	40,686,776	-	-	-
Total financial assets	**97,378,631**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Borrowings other than above	110,600,017			
Trade payables	15,629,594	-	-	-
Other financial liabilities	22,182,226	-	-	-
Total financial liabilities	**148,411,838**	**-**	**-**	**-**

Fair value hierarchy

Level 1: Quoted Price (Unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly(i.e as prices) or indirectly (i.e derived from

Level 3: Inputs for the assets or liabilities that are not based unobservable market data (Unobservable inputs)

Fair valuation method

The Managemnet assessed that fair value of financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

A Financial Assets:

1) Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B Financial Liabilities:

1) **Borrowings:** It includes working capital loan and payments on behalf of the entity from Quess Corp Ltd. These borrowings are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

2) **Finance lease obligations:** The fair value of obligations under finance leases is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

3) **Trade payables and other liabilities:** Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

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39 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Board of Directors of Dependo Logistics Solutions Private Limited has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current asset. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

The Company's exposure to credit risk is influenced mainly by its customer. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 31 March 2020 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers.

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 360 days past due. Loss rates are based on actual credit loss experience over the last six quarters.

These rates have been adjusted to reflect the management's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:

As at 31 March 2020

(Amount in INR)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	1,47,26,129	0.38%	55,701	No	1,46,70,428
Past due 1–90 days	91,81,804	1.47%	1,34,839	No	90,46,965
Past due 91–180 days	37,18,548	3.71%	1,37,797	No	35,80,750
Past due 181–270 days	10,82,005	11.63%	1,25,827	No	9,56,179
Past due 271–360 days	2,78,367	100.00%	2,78,367	No	-
Above 360 days	1,46,13,964	100.00%	1,46,13,964	Yes	-
	4,36,00,817		**1,53,46,495**		**2,82,54,322**

As at 31 March 2019

(Amount in INR)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	65,09,894.62	-	-	No	65,09,894.62
Past due 1–90 days	1,98,06,582	-	-	No	1,98,06,582
Past due 91–180 days	1,56,64,764	-	-	No	1,56,64,764
Past due 181–270 days	47,15,962	-	-	No	47,15,962
Past due 271–360 days	4,626	-	-	No	4,626
Above 360 days	-	-	-	Yes	-
	4,67,01,828		-		**4,67,01,828**

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

DEPENDO LOGISTICS SOLUTIONS PVT. LTD.

Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

i) Financing arrangement

The Company maintains the following line of credit:

(i) The Company had taken loan from the parent company Quess Corp Limited

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019.The amounts are gross and undiscounted contractual cash flows and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2020

(Amount in INR)

Particulars	Carrying amount	Contractual cash flows			
		0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	-	-	-	-	-
Trade payables	16,267,281	16,267,281			-
Other financial liabilities	32,061,898	32,061,898	-	-	-

As at 31 March 2019

(Amount in INR)

Particulars	Carrying amount	Contractual cash flows			
		0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	110,600,017	110,600,017	-	-	-
Trade payables	15,629,594	15,629,594	-	-	-
Other financial liabilities	22,182,226	22,182,226	-	-	-

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long-term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowing comprises of vehicle loans, working capital loans, finance lease obligations, loan from related parties and debentures which carries fixed rate of interest, which do not expose it to interest rate risk. However, non-convertible debenture has a fixed coupon rate but there is a condition of call/put option associated with change in interest rate exposing it to interest rate risk. The borrowings also includes cash credit, bill discounting and term loan facilities and loans from related parties which carries variable rate of interest.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	-	110,600,017
Fixed rate borrowings	-	-
Total borrowings	**-**	**110,600,017**

(b) Sensitivity

(Amount in INR)

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2020				
Variable rate borrowings	-	-	-	-
31 March 2019				
Variable rate borrowings	(1,106,000)	1,106,000	-	-

Dependo Logistics Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

Notes to the financial statements for the year ended 31 March 2020

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

Consistent with others in the industry, the company monitors capital on the basis of following gearing ratio:

Net debt (total liabilities net of cash and cash equivalent) divided by Total equity (as shown in balance sheet date)

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Total External Liabilities	55,450,693	155,862,900
Less: Cash and cash equivalents	11,934,077	2,312,036
Adjusted net debt (borrowings net of cash and cash equivalents)	**43,516,615**	**153,550,864**
Total equity	54,541,392	(35,818,392)
Net debt (Total external liabilities) to equity ratio	**0.80**	**(4.29)**

40 Comparability with previous period

Previous year figures are reclassified/ regrouped wherever necessary.

As per our report of even date attached
for Vasan and Sampath LLP
Chartered Accountants
Firm's Registration No: 004542S/S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 4 May 2020

VASAN & SAMPATH LLP
BANGALORE INDIA
CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
Dependo Logistics Solutions Private Limited

S. Ramakrishnan

Subramanian Ramakrishnan
Director
DIN: 03522114

Place: Bengaluru
Date: 4 May 2020

Srinivasan Guruprasad
Director
DIN: 07596207

Place: Bengaluru
Date: 4 May 2020

INDEPENDENT AUDITOR'S REPORT

To,
The Members
Excelus Learning Solutions Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Excelus Learning Solutions Private Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2020**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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.

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Jupiter-2, #190, 5th Cross, 3rd Main, MICO Layout
BTM 2nd Stage, Bangalore - 560076, INDIA.

Tel : +91 80 6816 4000
Fax : +91 80 6816 4001

Email : Info@vscaglobal.com
web : www.vscaglobal.com

Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

2) As required by Section 143 (3) of the Act, we report that;
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   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 standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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"; and

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

      i. the Company does not have any pending litigations and accordingly there is no impact on its financial position;

      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership number: 205703

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Place: Bengaluru
Date: 04/05/2020

ANNEXURE - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the Company)

i. a. The Company has maintained proper records showing full particulars, including quantitative details. However, the Company is in the process of updating location wise details of fixed assets;

b. Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties as at March 31, 2020;

ii. The Company's operations does not involve inventory. Consequently, comment on clause (ii) of the order is not applicable;

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Consequently, comment on clause (iii) of the order is not applicable;

iv. The Company has not made any loans and investments, guarantees, and security covered by covered by provisions of Section 185 and 186 of the Act. Consequently, comment on clause (iv) of the order is not applicable;

v. The Company has not accepted any deposits from the public. Consequently, comment on clause (v) of the order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Consequently, comment on clause (vi) of the order is not applicable;

vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing material undisputed statutory dues including provident fund, employee state insurance, income-tax, goods and service tax, cess and other statutory dues, during the year with the appropriate authorities. As explained to us, the Company did not have any undisputed amounts outstanding as at last day of the financial year for a period of more than six months from the date they became payable;

b. According to the information and explanations given to us, there are no dues of provident fund, employee state insurance, income-tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute;

viii. The Company has obtained loans as referred in Note No.17 and 45 to financial statements. Further, the Company has converted outstanding loan from Quess to Compulsory Convertible Debentures with a tenure of ten years from the date of issue. The Company does not have any loans or borrowings from any financial institution or banks during the year. According to the information and explanations given to us, there have been no defaults in repayment loan;

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Consequently, comment on clause (ix) of the Order is not applicable;

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit;

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year and accordingly

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

the clause regarding the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, is not applicable;

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Consequently, comment on clause (xii) of the Order is not applicable;

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards;

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has converted outstanding loan from its holding company, into Compulsory Convertible Debentures during the year. This Issue has been in compliance with Section 42 of Companies Act, 2013 and the amount raised has been used for the purpose for which it was raised.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Consequently, comment on clause (xv) of the Order is not applicable; and

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Consequently, comment on clause (xvi) of the Order is not applicable.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

Unnikrishnan Menon
Partner
Membership number: 205703
Place: Bengaluru
Date: 04/05/2020

ANNEXURE B - to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the Company)

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 **Excelus Learning Solutions Private Limited** ("the Company") as of **March 31, 2020** in conjunction with our audit of the standalone Ind AS 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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[1] 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 standalone Ind AS 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;

[1] Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

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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 March 31, 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 **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Unnikrishnan Menon
Partner
Membership number: 205703

Place: Bengaluru
Date: 04/05/2020

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

(Amounts in INR Lakhs)

Balance Sheet as at	Note	31 March 2020	31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,135.79	1,236.14
Capital work-in-progress		-	-
Goodwill		-	-
Other intangible assets		-	-
Intangible assets under development		-	-
Investments in equity accounted investees		-	-
Financial assets			
(i) Investments		-	-
(ii) Non-current loans	4	183.04	152.57
(iii) Other non-current financial assets	5	529.18	565.48
Deferred tax assets (net)	6	145.31	130.90
Income tax assets (net)	7	280.87	289.24
Other non-current assets	8	34.45	31.74
Total non-current assets		**2,308.63**	**2,406.08**
Current assets			
Inventories		-	-
Financial assets			
(i) Investments		-	-
(ii) Trade receivables	9	25.47	4.74
(iii) Cash and cash equivalents	10	873.49	433.84
(iv) Bank balances other than cash and cash equivalents above	11	73.09	20.00
(v) Current loans		-	-
(vi) Unbilled revenue	12	3,451.06	1,357.96
(vii) Other current financial assets	13	79.16	42.87
Other current assets	14	181.53	192.98
Total current assets		**4,683.80**	**2,052.39**
Total assets		**6,992.43**	**4,458.46**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1.00	1.00
Instruments entirely equity in nature	35	4,025.00	-
Other equity	16	501.72	(200.78)
Total equity attributable to equity holders of the Company		**4,527.72**	**(199.78)**
Non-controlling interests		-	-
Total equity		**4,527.72**	**(199.78)**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Non-current borrowings	17	918.29	278.09
(ii) Other non-current financial liabilities	18	10.88	-
Deferred tax liabilities (net)		-	-
Non-current provisions	19	48.50	21.39
Total non current liabilities		**977.67**	**299.48**
Current liabilities			
Financial liabilities			
(i) Borrowings	20	0.00	3,781.30
(ii) Trade payables	21	85.69	94.15
(iii) Other current financial liabilities	22	1,292.15	437.45
Income tax liabilities (net)		-	-
Current provisions	23	7.22	7.04
Other current liabilities	24	101.99	38.83
Total current liabilities		**1,487.05**	**4,358.76**
Total Liabilities		**2,464.70**	**4,658.25**
Total Equity and Liabilities		**6,992.43**	**4,458.46**

Company overview and Significant accounting policies 1 & 2
The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No.: 004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 04/05/2020

for and on behalf of Board of Directors of
Excelus Learning Solutions Private Limited

Subramanian Ramakrishnan
Director
DIN : 03522114

Place: Bengaluru
Date: 04/05/2020

Suraj Krishna Moraje
Director
DIN : 08594844

Place: Bengaluru

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Excelus Learning Solutions Pvt. Ltd. Bangalore

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

(Amount in INR Lakhs)

Statement of profit and loss	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	25	5,799.90	3,869.28
Other income	26	51.10	38.60
Total income		**5,851.00**	**3,907.88**
Expenses			
Cost of material and stores and spare parts consumed		-	-
Employee benefit expenses	27	2,038.73	1,366.35
Finance costs	28	216.49	313.03
Depreciation and amortisation expense	29	758.19	426.68
Other expenses	30	1,892.77	1,389.80
Total expenses		**4,906.18**	**3,495.86**
Profit before share of profit of equity accounted investees and income tax		**944.82**	**412.01**
Share of profit of equity accounted investees (net of income tax)		-	-
Profit before tax		**944.82**	**412.01**
Tax expense			
Current tax		(248.18)	(56.87)
Adjustments of tax relating to earlier periods		-	-
Deferred tax		14.40	(48.92)
Income tax expenses		**(233.77)**	**(105.79)**
Profit for the year		**711.05**	**306.22**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(8.54)	(1.31)
Total comprehensive income for the period		**702.50**	**304.91**
Profit attributable to			
Owners of the Company		711.05	306.22
Non-controlling interests		-	-
Total profit for the year		**711.05**	**306.22**
Other comprehensive income attributable to			
Owners of the Company		(8.54)	(1.31)
Non-controlling interests		-	-
Total other comprehensive income attributable to		**(8.54)**	**(1.31)**
Total comprehensive income attributable to :			
Equity holders of the parent		702.50	304.91
Non-controlling interests		-	-

As per our report of even date attached
for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No.: 004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 04/05/2020

for and on behalf of Board of Directors of
Excelus Learning Solutions Private Limited

S. Ramakrishnan

Subramanian Ramakrishnan
Director
DIN : 03522114

Place: Bengaluru
Date: 04/05/2020

Suraj Krishna Moraje
Director
DIN : 08594844

Place: Bengaluru

Vasan & Sampath LLP Bangalore India Chartered Accountants

Excelus Learning Solutions Pvt. Ltd. Bangalore

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)
Statement of Changes in Equity for the year ended 31 March 2020

a) Equity share Capital *(Amount in INR lakhs)*

Particulars	31 March 2020	31 March 2019
Opening Balance	1.00	1.00
changes in equity share capital	-	-
closing balance	1.00	1.00

b) Other Equity

Particulars	Retained Earnings	Other Reserves	Total
Balance as of 01 April 2018	(523.17)	17.48	(505.69)
Add: Increase in Share Capital	-	-	-
Less: Buyback of share capital	-	-	-
Add: Premium received on issue of Equity Shares	-	-	-
Less: Amount utilized for issue of Equity Shares	-	-	-
Add: Financial value of Corporate guarantee received	-	-	-
Add: Profit for the year	306.22	-	306.22
Add: Other comprehensive income	(1.31)	-	(1.31)
Balance as of 31 March 2019	**(218.26)**	**17.48**	**(200.78)**

Particulars	Retained Earnings	Other Reserves	Total
Balance as of 01 April 2019	(218.26)	17.48	(200.78)
Add: Increase in Share Capital	-	-	-
Less: Buyback of share capital	-	-	-
Add: Premium received on issue of Equity Shares	-	-	-
Less: Amount utilized for issue of Equity Shares	-	-	-
Add: Financial value of Corporate guarantee received	-	-	-
Add: Profit for the year	711.05	-	711.05
Add: Other comprehensive income	(8.54)	-	(8.54)
Balance as of 31 March 2020	**484.25**	**17.48**	**501.72**

c) Instruments entirely equity in nature

Compulsorily Convertible debentures *(Amount in INR lakhs)*

Balance as of 01 April 2019	Changes in compulsorily convertible debentures during the period	Balance as of 31 March 2020
-	**4,025.00**	**4,025.00**
Total equity attributable to equity holders of the Company as at 31 March 2020 (a+b+c)		**4,527.72**

As per our report of even date attached
for **Vasan & Sampath LLP**
Chartered Accountants

BANGALORE INDIA VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS

Unnikrishnan Menon

Partner
Membership No. 205703

Place: Bengaluru
Date: 04/05/2020

Excelus Learning Solutions Pvt. Ltd. Bangalore

for and on behalf of Board of Directors of
Excelus Learning Solutions Private Limi

S. Ramakrishnan

Subramanian Ramakrishnan
Director
DIN : 03522114

Suraj Krishna Moraje
Director
DIN : 08594844

Place: Bengaluru
Date: 04/05/2020

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)

(Amount in INR lakhs)

Cash flow statement	**For the year ended 31 Mar 2020**	**For the year ended 31 March 2019**
Cash flow from operating activities		
Profit before tax	936.28	412.01
Adjustments for:		
Depreciation and amortisation	476.11	426.68
Interest income on term deposits	(40.32)	(31.94)
Rent amortization for SD (Net of income)	(0.27)	0.38
Depreciation on ROUA, interest and rent	11.30	-
Finance costs	180.25	313.03
Operating cash flows before working capital changes	**1,563.35**	**1,120.17**
Changes in Loans, other financial assets and other assets	(2,342.20)	(1,497.64)
Changes in trade payables and other financial liabilities	699.70	(68.95)
Cash generated from operations	**(79.16)**	**(446.42)**
Direct taxes paid, net of refund	-	-
Net cash (used in) / provided by operating activities (A)	**(79.16)**	**(446.42)**
Cash flows from investing activities		
Expenditure on property,plant and equipment and intangibles, net of sale proceeds	(169.69)	(683.64)
Interest on bank deposits	4.03	3.19
Bank deposits (having original maturity of more than three months)	(16.79)	(14.02)
Security deposits	(23.20)	(12.60)
Net cash (used in) / provided by investing activities (B)	**(205.65)**	**(707.06)**
Cash flows from financing activities		
Fair value of financial guarantee received	-	-
Proceeds from borrowings (NSDC)	647.98	183.10
Proceeds from borrowings (Quess)	243.70	1,261.98
Proceeds from issue of equity shares, net of issue expenses	-	-
Interest on loan paid	(164.91)	(286.62)
Other finance costs	(2.31)	(20.24)
Net cash (used in) / provided by financing activities (C)	**724.46**	**1,138.22**
Net increase in cash and cash equivalents (A+B+C)	439.65	(15.26)
Cash and cash equivalents at the beginning of the year	433.84	449.10
Cash and cash equivalents at the end of the year	**873.49**	**433.84**

As per our report of even date attached
for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No.: 004542S/S200070

for and on behalf of Board of Directors of
Excelus Learning Solutions Private Limited

S. Ramakrishnan

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 04/05/2020

Subramanian Ramakrishnan
Director
DIN : 03522114

Place: Bengaluru
Date: 04/05/2020

Suraj Krishna Moraje
Director
DIN : 08594844

Place: Bengaluru

Excelus Learning Solutions Pvt. Ltd. Bangalore

Excelus Learning Solutions Private Limited
(A Subsidiary of Quess Corp Limited)
Notes to the financial statements for the year ended 31 March 2020

1. Company overview

Excelus Learning Solutions Private Limited ('the Company') , is a Company incorporated under the provisions of the Companies Act, 2013('the Act') on November 23, 2016. The company has its registered office in Bengaluru, India. The Company is engaged in the business of skill development and training services.

2.1 Significant accounting policies

2.1.1 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS), the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.1.2 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following assets and liabilities which have been measured at fair value:

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined benefit Obligation ("DBO").

2.1.3 Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) *Income taxes:* Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. The ultimate realization of deferred income tax assets, including Minimum Alternate Tax (MAT), is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities and the projected future taxable income in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

ii) *Measurement of Defined Benefit Obligation* :The cost of defined benefit obligations are based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. All assumptions are reviewed on a periodic basis.

iii) *Property, Plant & Equipment* - The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

iv) *Other estimates:* The impairment of non-financial assets involves key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets.

2.1.4 Current - non current classification

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

Assets

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realized within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets.
All other assets are classified as non-current.

Excelus Learning Solutions Pvt. Ltd. Bangalore

Liabilities
A liability is classified as current when it satisfies any of the following criteria:
a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.
All other liabilities are classified as non-current.

Operating cycle
Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.2 Summary of significant accounting policies

2.2.1 Foreign currency transactions and balances
Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

2.2.2 Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Financial assets
(i) Classification and subsequent measurement

For the purpose of subsequent measurement, a financial asset is classified and measured at
□ amortized cost;
□ fair value through other comprehensive income (FVTOCI) - debt investment;
□ fair value through other comprehensive income (FVTOCI) - equity investment; or
□ fair value through profit and loss (FVTPL)

1. A financial asset is measured at amortized cost if both the following conditions are met:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

2. A debt investment is measured at FVTOCI if both of the following conditions are met:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets ; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

Excelus Learning Solutions Pvt. Ltd. Bangalore

3. On initial recognition of an equity investment that is not held for trading, the company irrevocably elects to present subsequent changes in the fair value in OCI (designated as FVTOCI-equity investment). This election is made on an investment-to-investment basis.

4. All financial assets not classified as amortized cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in the Statement of profit and loss.
Financial assets at amortized cost These assets are subsequently measured at amortized cost using the effective interest reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is recognized in the Statement of Profit and Loss.
Debt investments at FVOCI These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in the Statement of Profit and Loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.

(ii) Derecognition of financial assets

A financial asset is derecognized only when the company:
- has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

c) Financial liabilities

(i) Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortized cost or FVTPL. Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(ii) Financial guarantee contracts

Financial guarantee contracts are those contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because the specified party fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts are initially recognized at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognized less cumulative amortization.

(iii) Derecognition

A financial liability is derecognized when the company's obligations are discharged or cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Share Capital
Ordinary Shares
Ordinary shares are classified as equity. Incremental costs directly attributable to other issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

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Excelus Learning Solutions Pvt. Ltd. Bangalore

2.2.4 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment on straight line basis over the useful lives of assets estimated by the Management. Depreciation for assets purchased/sold during the period is proportionately charged. The useful lives are as below:

Category	Useful life
Plant and machinery	3 years
Computer equipment	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	3 years
Leasehold improvements	3 years

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

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'.

Since the leasehold improvements form part of training centers and NSDC has funded the project for at least 3 years, the estimated life is taken as 3 years even if lease term is less than 3 years in few cases.

2.2.5 Intangible assets

Application software purchased, which is not an integral part of the related hardware, is shown as intangible assets and amortized on a straight line basis over its useful life, not exceeding three years, as determined by management.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The estimated useful lives of intangibles are as follows:

Category	Useful life
Software	3 years

2.2.6 Leases

Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The company has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The company's lease asset classes primarily consist of Land and Building. The company assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate (As at 1 April 2019 - 9.5%).

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets:

The Company has elected not to recognize right-of-use assets and liabilities for short-term leases of INR 100,000 that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Practical expedients adopted on initial recognition:

1. The agreements maturing within 12 months from the initial application of Ind AS 116, are not considered.
2. Single discount rate is applied to a portfolio of leases with reasonably similar characteristics on the date of initial application.
3. Value of initial direct costs (such as Stamp Duty, registration costs etc. already paid) excluded from the measurement of ROUA.

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INDIA
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Excelus Learning Solutions Pvt. Ltd.
Bangalore

2.2.7 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit or loss.

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment 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 asset to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.2.8 Employee benefit

(a) Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognized as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognizes related restructuring costs or termination benefits.

The retirement benefit obligations recognized in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

Ind AS 19 'Employee Benefits' amendment in connection with accounting for plan amendments, curtailments and settlements requires an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

(b) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(c) Compensated absences

The employees of the company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit Method as at the reporting date.

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BANGALORE INDIA
CHARTERED ACCOUNTANTS

Excelus Learning Solutions Pvt. Ltd.
Bangalore

2.2.9 Provisions and Contingencies
Provisions are recognized when the Company has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.
A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

2.2.10 Revenue
The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts are recognized as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation.

The Company accounts for variable considerations as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Refer Note no. 31 for disclosure related to revenue from contracts with customers.

2.2.11 Other income
Other income is comprised primarily of interest income and exchange gain/loss on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

2.2.12 Cost recognition
Costs and expenses are recognized when incurred and have been classified according to their primary nature.

2.2.13 Finance costs
Interest expense consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

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2.2.14 Income tax
Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized 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 income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements 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. The Deferred tax assets are also recognized for unabsorbed depreciation, current year and carried forward business losses under tax laws. The recognition is supported by management's estimation of availability of sufficient future taxable income, against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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 recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized 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 utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax in future years. Ind AS 12 defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

2.2.15 Cash and Cash Equivalents
Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.
For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.2.16 Cash flow statement
Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.2.17 Earnings per share
Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding 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.
The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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3 Property, plant and equipment *(Amount in INR Lakhs)*

Particulars	Leasehold improvements	Furniture and fixtures	Office equipment	Computer equipment	ROU Building	Total
Gross block						
As at 1 April 2019	225.82	387.09	589.57	595.24	-	1,797.72
Additions during the year	51.88	11.96	44.56	47.41	502.03	657.84
As at 31 Mar 2020	277.70	399.05	634.12	642.65	502.03	2,455.55
Accumulated Depreciation						
As at 1 April 2019	88.10	80.28	140.00	253.19	-	561.57
Depreciation for the period	77.32	79.07	120.10	199.61	282.09	758.19
Accumulated depreciation on deletions	-	-	-	-	-	-
As at 31 Mar 2020	165.41	159.36	260.10	452.81	282.09	1,319.76
Net Block :						
As at 1 April 2019	137.72	306.81	449.57	342.05	-	1,236.14
As at 31 Mar 2020	112.29	239.69	374.02	189.84	219.94	1,135.79

As per our report of even date attached
for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No.: 004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 04/05/2020

for and on behalf of Board of Directors of
Excelus Learning Solutions Private Limited

S. Ramakrishnan

Subramanian Ramakrishnan
Director
DIN : 03522114

Place: Bengaluru
Date: 04/05/2020

Suraj Krishna Moraje
Director
DIN : 08594844

Place: Bengaluru

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4 Non current loans

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Unsecured, considered good		
Security deposits	183.04	152.57
	183.04	**152.57**

5 Other non-current financial assets

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Bank deposits	529.18	565.48
	529.18	**565.48**

6 Deferred tax assets (net)

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset on liabilities:		
Impairment loss allowance on financial assets	-	-
Provision on employee benefits- Gratuity	9.97	3.13
Provision on employee benefits- Compensated absences	4.52	4.26
Business loss current year and carried forward	-	3.72
Unabsorbed Depreciation current year and carried forward	-	47.52
Deferred Tax others	2.16	1.27
Deferred tax asset on assets:	-	
Deferred tax on fixed assets	71.78	14.13
Minimum alternate tax credit entitlement	56.87	56.87
Net deferred tax assets	145.31	**130.90**

7 Income tax assets (net)

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Advance income tax	280.87	289.24
	280.87	**289.24**

8 Other non-current assets

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Capital advances	25.44	11.55
Balances with government authorities	-	-
Prepaid expenses	9.01	20.19
	34.45	**31.74**

9 Trade receivables

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Unsecured		
Considered good	25.47	4.74
Considered doubtful	1.77	-
	27.24	**4.74**
Loss allowance		
Unsecured considered good	-	-
Doubtful	(1.77)	-
	(1.77)	-
Net trade receivables	**25.47**	**4.74**

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10 Cash and cash equivalents

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Cash and cash equivalents		
Cash in hand	-	-
Balances with banks		
In current accounts	873.49	433.84
In EEFC accounts	-	-
In deposit accounts (with original maturity of 3 months)	-	-
Cash and cash equivalents in balance sheet	873.49	433.84
Bank overdraft used for cash management purpose	-	-
Cash and cash equivalent in the statement of cash flow	873.49	433.84

11 Other bank balances

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
In deposit accounts (mature within 12 months from the reporting date)	73.09	20.00
	73.09	20.00

12 Unbilled revenue

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Unbilled revenue	3,451.06	1,357.96
	3,451.06	1,357.96

13 Other financial assets

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Interest accrued but not due	79.16	42.87
	79.16	42.87

14 Other current assets

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Advances other than capital advances		
Advances to employees	25.69	43.89
Other advances	76.72	48.47
Refundable comittment fees	8.97	9.39
Prepaid expenses	70.16	91.23
	181.53	192.98

15 Share capital

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Authorised		
10,000 equity shares of par value of Rs 10 each	1.00	1.00
	1.00	1.00
Issued, subscribed and paid-up		
10,000 equity shares of par value of Rs 10 each, fully paid up	1.00	1.00
	1.00	1.00

15.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in INR Lakhs	Number of shares	Amount in INR Lakhs
Equity shares				
At the commencement of the year	10,000	1.00	10,000	1.00
Shares issued on exercise of employee stock options	-	-	-	-
Shares issued during the year	-	-	-	-
Right issue	-	-	-	-
Bonus issue	-	-	-	-
At the end of the year	10,000	1.00	10,000	1.00

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15.2 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets.

The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in

proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of the equity shares will be entitled to

15.3 Shares held by Holding Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in INR Lakhs	Number of shares	Amount in INR Lakhs
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	9,990.00	1.00	9,990.00	1.00
	9,990.00	**1.00**	**9,990.00**	**1.00**

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in INR Lakhs	Number of shares	Amount in INR Lakhs
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	9,990.00	1.00	9,990.00	1.00
	9,990.00	**1.00**	**9,990.00**	**1.00**

16 Other equity

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Securities premium account	-	-
Stock options outstanding account	-	-
Foreign currency translation reserve	-	-
Capital reserve account	-	-
Debenture redemption reserve	-	-
General reserve account	-	-
Other comprehensive income	(9.85)	(1.31)
Capital redemption reserve	-	-
Other Equity- Corporate Guarantee	17.48	17.48
Retained earnings	494.09	(216.96)
	501.72	(200.78)

17 Non-current borrowings *

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Secured		
Term loan	918.29	278.09
Total borrowing	918.29	278.09

**Refer note no :45*

18 Other non-current financial liabilities

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Lease liability	10.88	-
	10.88	-

19 Non-current provisions

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Provision for gratuity	38.34	12.03
Provision for compensated absences	10.16	9.36
	48.50	21.39

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20 Current borrowings

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Loans from bank repayable on demand		
Unsecured		
From Quess Corp Limited	0.00	3,781.30
	0.00	3,781.30

21 Trade payables

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Other trade payables	85.69	94.15
	85.69	94.15

22 Other current financial liabilities

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Current maturities of long-term borrowings	228.18	220.41
Interest accrued and not due	14.59	5.74
Financial guarantee liability	-	-
Amount payable to related parties	82.53	-
Capital creditors	-	-
Lease liability	220.36	-
Other Payables	-	-
Accrued salaries and benefits	158.14	121.12
Provision for expenses	588.34	90.19
	1,292.15	437.45

23 Current provisions

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Provision for employee benefits		
Provision for gratuity	-	-
Provision for compensated absences	7.22	7.04
	7.22	7.04

24 Other current liabilities

(Amount in INR Lakhs)

Particulars	31 March 2020	31 March 2019
Balances payable to government authorities	101.99	38.83
	101.99	38.83

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25 Revenue from operations

(Amount in INR Lakhs)

Particulars	For the period ended 31 March 2020	31 March 2019
Sale of services		
Training services	5,799.90	3,869.28
Total sale of services	**5,799.90**	**3,869.28**

26 Other income

(Amount in INR Lakhs)

Particulars	For the period ended 31 March 2020	31 March 2019
Interest income under the effective interest method on:		
Cash and cash equivalents	40.32	31.94
Interest income on present valuation of financial instruments	7.27	6.67
Miscellaneous income	3.51	-
	51.10	**38.60**

27 Employee benefits expense

(Amount in INR Lakhs)

Particulars	For the period ended 31 March 2020	31 March 2019
Salaries and wages	1,861.90	1,243.17
Contribution to provident and other funds	157.84	105.34
Expenses related to post-employment defined benefit plan	17.76	8.30
Expenses related to compensated absences	1.08	9.54
Staff welfare expenses	0.14	-
	2,038.73	**1,366.35**

28 Finance costs

(Amount in INR Lakhs)

Particulars	For the period ended 31 March 2020	31 March 2019
Interest expense on financial liabilites measured at amortised cost	214.68	292.79
Other borrowing costs	1.81	20.24
	216.49	**313.03**

29 Depreciation and amortisation expense

(Amount in INR Lakhs)

Particulars	For the period ended 31 March 2020	31 March 2019
Depreciation of property, plant and equipment	758.19	426.68
Amortisation of intangible assets	-	-
	758.19	**426.68**

30 Other expenses

(Amount in INR Lakhs)

Particulars	For the period ended 31 March 2020	31 March 2019
Recruitment and training expenses	1,331.21	1,368.96
Rent	39.73	8.51
Repairs and Maintenance		
- others	-	0.55
Legal and professional fees	510.96	7.11
Rates and taxes	0.00	-
Printing and stationery	-	2.01
Travelling and conveyance	6.00	1.89
Impairment loss on financial assets	1.77	-
Miscellaneous expenses	3.10	0.78
	1,892.77	**1,389.80**

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31 Revenue from Contracts with customers

(i) Trade Receivables and Contract Balances

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in INR lakhs)

Particulars	As at 31 March 2020	As at 1 April 2019
Receivables, which are included in 'Trade receivables'	25.47	4.74
Contract assets	3,451.06	1,357.96
Contract liabilities	-	-

The contract assets (unbilled revenue) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date.
The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognized on completion of contract terms.
The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2020

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2020
Balance as at 1 April 2019	1,357.96
Add : Revenue recognized during the year	5,799.90
Less : Invoiced during the year	(3,706.80)
Less : Impairment / (reversal) during the year	-
Add : Translation gain/(Loss)	-
Balance as at 31 March 2020	3,451.06

(ii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for
(i) contracts with an original expected duration of one year or less and
(ii) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2020, other than those meeting the exclusion criteria mentioned above, is **Nil**. Out of this, the entity expects to recognize revenue of around 100% within the next one year.

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32 Lease liability

(Amount in INR lakhs)

Particulars	As at 31 March 2020
Current lease liability	220.36
Non-current lease liability	10.88
Total	**231.24**

The following is the movement in lease liabilities

(Amount in INR lakhs)

Particulars	As at 31 March 2020
Operating lease recognised on adoption of Ind AS 116	502.03
Reclassification on adoption of Ind AS 116 - Fin lease obligation	-
Add: Additions	-
Add: Additions through business combination	-
Less: Deletion	-
Add: Finance cost accrued during the period	36.23
Less: Payment of lease obligation	(307.02)
Translation loss / (gain)	-
Carrying amount as at 31 March 2020	231.24

Amount recognised in PL

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2020
Interest expense (included in finance cost)	36.23
Expenses relating to short-term lease (included in other expenses)	
Expenses relating to lease of low value assets that are not included above (included in other expenses)	-
	36.23

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2020 on an undiscounted basis:

(Amount in INR lakhs)

Particulars	As at 31 March 2020
Less than one year	220.36
One to five years	10.88
More than five years	-
	231.24

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33 Capital commitments

(Amount in INR Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	19.92	70.11
	19.92	**70.11**

34 Earnings per share

(Amount in Reporting Currency except number of shares and per share data)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Nominal value of equity shares (Rs.10 per share)	100,000	100,000
Net profit after tax / (loss) for the purpose of earnings per share	711.05	306.22
Weighted average number of shares used in computing basic earnings per share	10,000	10,000
Basic earnings per share (INR)	**7,110.47**	**3,062.19**
Weighted average number of shares used in computing diluted earnings per share	12,185	10,000
Diluted earnings per share (INR)	**5,835.58**	**3,062.19**

Computation of weighted average number of shares

(Amount in numbers)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Number of equity shares outstanding at beginning of the year	**10,000**	**10,000**
Add: Weighted average number of equity shares issued during the year	-	-
	-	-
Weighted average number of shares outstanding at the end of year for computing basic earnings per share	**10,000**	**10,000**
Add: Impact of potentially dilutive equity shares	2,185	-
	-	-
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	**12,185**	**10,000**

35 Instruments entirely equity in Nature

a) Reconciliation of number of compulsorily convertible debentures outstanding at the beginning and at the end of reporting period

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	No.	**Amount in INR Lakhs**	**No.**	**Amount in INR Lakhs**
Compulsorily Convertible Debentures	4025	4,025.00	-	-

b) The rights, preferences and restrictions attaching to compulsorily convertible debentures issued to Quess Corp Limited, holding company including restrictions if any :

The Company has one class of compulsorily convertible debentures of Rs 1,00,000 per CCD. These CCDs are unsecured and carry a discretionary coupon of 10% per annum. The CCDs shall have a tenure of 10 years from the date of issue. The holder of these CCDs shall have the right to convert any or all of the CCDs, any time during the tenure of CCDs. CCDs outstanding at the end of the tenure shall be automatically be converted into Equity shares of the Company. These CCDs shall be converted into 2,184.68 equity shares at an issue price INR 1,84,237.46 each having a face value of INR 10 each..

(c) Particulars of compulsorily convertible debentures held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company:

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	No.	**Amount in INR**	**No.**	**Amount in INR Lakhs**
Quess corp Limited , holding company	4025	4,025.00	-	-

(d) CCD holders holding more than 5% of compulsorily convertible debentures along with the total number of CCDs held at the beginning and at the end of the reporting period is as given below

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	% of holding	**No**	**% of holding**	**No**
Quess corp Limited , holding company	100	4,025.00	-	-

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36 Expenditure in foreign currency

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Miscellaneous expenses	4.25	4.28
	4.25	**4.28**

37 Related party disclosures

(i) Name of related parties and description of relationship:

- Holding Company	Quess Corp Limited
- Entity having significant influence	Fairfax Financial Holdings Limited Fairfax (US) Inc. HWIC Asia Fund Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019) Thomas Cook (India) Limited (upto 6 December 2019) Fairfax (US) Inc. National Collateral Management Services Limited
- Fellow subsidiaries	Coachieve Solutions Private Limited[1] MFX Infotech Private Limited Aravon Services Private Limited[1] Brainhunter Systems Ltd. Mindwire Systems Limited Quess (Philippines) Corp. Quess Corp (USA) Inc. Quesscorp Holdings Pte. Ltd. Quess Corp Vietnam LLC Quessglobal (Malaysia) SDN. BHD. Quess Corp Lanka (Private) Limited Comtel Solutions Pte. Ltd. MFXchange Holdings, Inc. MFXchange US, Inc. MFX Chile SpA Dependo Logistics Solutions Private Limited CentreQ Business Services Private Limited[1] Conneqt Business Solution Limited Vedang Cellular Services Private Limited Master Staffing Solutions Private Limited[1] Golden Star Facilities and Services Private Limited Comtelpro Pte. Limited. Comtelink Sdn. Bhd Monster.com (India) Private Limited Monster.com.SG PTE Limited Monster.com HK Limited Agensi Pekerjaan Monster Malaysia SDN. BHD. Quesscorp Management Consultancies Quesscorp Manpower Supply Services LLC Qdigi Services Limited Greenpiece Landscapes India Private Limited Simpliance Technologies Private Limited Allsec Technologies Limited Allsectech Inc., USA Allsectech Manila Inc., Philippiness Retreat Capital Management Inc., USA Trimax Smart Infraprojects Private Limited Quess Corp Services Limited

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- Associates of Holding Company	Terrier Security Services (India) Private Limited Heptagon Technologies Pvt Ltd Quess Recruit, Inc Quess East Bengal FC Private Limited (w.e.f. November 16, 2018) Agency Pekerjaan Quess Recruit Sdn. Bhd.
- Joint Venture of Holding Company	Himmer Industrial Services (M) SDN BHD
- Entity having common directors	Quess corp Limited Allsec Technologies Limited Conneqt Business Solution Limited Monster.com (India) Private Limited Terrier Security Services (India) Private Limited Vedang Cellular Services Private Limited Qdigi Services Limited Greenpiece Landscapes India Private Limited Mfx Infotech Private Limited Aravon Services Private Limited Coachieve Solutions Private Limited Simpliance Technologies Private Limited Centreq Business Services Private Limited Trimax Smart Infraprojects Private Limited
- Entities in which key managerial personnel have significant influence	Careworks foundation

1. Merged with Quess Corp Limited w.e.f 1 April 2019 pursuant to approval from the Regional Director, South East Region, MCA.

Key executive management personnel

Subramanian Ramakrishnan	Director
Suraj Krishna Moraje	Director

(ii) Related party transactions

(Amount in INR Lakhs)

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Other expenses			
Rent	Monster.com (India) Private Limited	25.42	-
Security Expenses	Terrier Security Services (India) Private Limited	-	110.38
Legal and Professional fees	Quess Corp Limited	500.00	-
		-	-
Finance costs			
- Interest expense	Quess Corp Limited	129.65	268.89
Payment made by related parties on behalf of the Company			
	Quess Corp Limited	132.53	122.15
Loans received from related parties			
	Quess Corp Limited	79.71	1,344.00
Repayments/adjustments of loans received from related parties			
	Quess Corp Limited	3,973.06	324.02
Corporate Guarantee			
	Quess Corp Limited	1,016.42	-

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in INR Lakhs)

Particulars		As at 31 March 2020	As at 31 March 2019
Trade payables			
	Terrier Security Services (India) Private Limited	20.14	79.03
Other current liabilities			
	Quess Corp Limited	82.53	-
Current borrowings			
	Quess Corp Limited	-	3,781.30
Corporate Guarantee			
	Quess Corp Limited	1,851.61	835.19
	Corporate Guarantee has been provided by Quess Corp towards NSDC Loan (Refer Note 46)		

(iv) Compensation of key managerial personnel*

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and other employee benefits to whole-time directors and executive officers	-	-
Others if any, specify nature	-	-
	-	-

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences and employee share-based payment since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

39 Assets and liabilities relating to employee benefits

A

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net defined benefit liability, gratuity plan	38.34	12.03
Liability for compensated absences	17.38	16.40
Total employee benefit liability	**55.72**	**28.43**
Current	7.22	7.04
Non-current	48.50	21.39
	55.72	**28.43**

B Reconciliation of net defined benefit liability/ asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its components:

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	12.03	2.42
Additions through business combination	-	-
Current service cost	16.95	8.13
Interest cost	0.81	0.17
Past service cost		-
Benefit settled		-
Actuarial (gains)/ losses recognized in other comprehensive income		-
- Changes in experience adjustments	6.06	1.07
- Changes in demographic assumptions	(0.00)	-
- Changes in financial assumptions	2.49	0.24
Obligation at the end of the year	**38.34**	**12.03**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	-	-
Additions through business combination	-	-
Interest income on plan assets	-	-
Remeasurement- actuarial gain/(loss)	-	-
Return on plan assets recognized in other comprehensive income	-	-
Contributions	-	-
Benefits settled	-	-
Plan assets as at the end of the year	-	-
Net defined benefit liability	**38.34**	**12.03**

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C i) Expense recognized in statement of profit or loss

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	16.95	8.13
Interest cost	0.81	0.17
Past service cost	-	
Interest income	-	
Net gratuity cost	**17.76**	**8.30**

ii) Re-measurement recognized in other comprehensive income

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of the net defined benefit liability	(8.54)	(1.31)
Remeasurement of the net defined benefit asset	-	-
	(8.54)	**(1.31)**

D Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	5.40%	6.75%
Future salary growth	7.50%	7.50%
Attrition rate	30.00%	30.00%
Rate of return on planned asset	-	-
Average duration of defined benefit obligation (in years)	-	-

E Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Core employees

(Amount in INR Lakhs)

	As at 31 March 2020		As at 31 March 2019	
Particulars	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	36.47	40.36	11.37	12.75
Future salary growth (1% movement)	40.30	36.49	12.73	11.37
Attrition rate (1% movement)	24.83	60.44	6.37	21.29

40 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2020 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

41 Covid 19 Assessment

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

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42 Taxes

A Amount recognized in profit or loss

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax:		
In respect of the current period	248.18	**56.87**
Excess provision related to prior years	-	-
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	(14.40)	48.92
Increase/ reduction of tax rate	-	-
Income tax expense reported in the Statement of Profit and Loss	**233.77**	**105.79**

B Income tax recognized in other comprehensive income

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of the net defined benefit liability/ asset		
Before tax	(8.54)	(1.31)
Tax (expense)/ benefit	-	-
Net of tax	**(8.54)**	**(1.31)**

C Reconciliation of effective tax rate

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Rate	Amount	Rate	Amount
Profit before tax		944.82		412.01
Tax using the Company's domestic tax rate	26.27%	248.18	0.00%	-
Effect of:				
Tax Expense as per MAT	15.76%	148.90	13.80%	(56.87)
Deferred tax	-1.52%	(14.40)	-25.68%	105.79
MAT Credit	0.00%	-	-13.80%	56.87
Effective tax rate	**24.74%**	**233.77**	**25.68%**	**105.79**
Excess provisions relating to earlier years	-	-	-	-
Income tax credit/(expense) reported in the Statement of Profit and Loss	**24.74%**	**233.77**	**25.68%**	**105.79**

D The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019

Non-current tax assets (net)

(Amount in INR Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets	585.92	346.11
Income tax liabilities	305.05	56.87
Net income tax assets at the end of the year	**280.87**	**289.24**

Current tax liabilities (net)*

(Amount in INR Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets	-	-
Income tax liabilities	-	-
Net income tax liabilities at the end of the year	-	-

*For current tax liabilities above, there is no legally enforceable right to set off against the non-current tax assets and accordingly disclosed separately.

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E Deferred tax assets, net

(Amount in INR Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax assets:		
Impairment loss allowance on financial assets		-
Provision on employee benefits- Gratuity	9.97	3.13
Provision on employee benefits- Compensated absences	4.52	4.26
Provision on other employee benefits, if any		-
Provision for bonus		-
Provision for disputed claims		-
Provision for interest on service tax		-
Provision for rent escalation		-
Present valuation of financial instruments		-
Business loss current year and carried forward	-	3.72
Deferred tax on fixed assets	71.78	14.13
Unabsorbed Depreciation current year and carried forward	-	47.52
Minimum alternate tax credit entitlement	56.87	56.87
Deferred Tax others	2.16	1.27
Deferred tax assets	**145.31**	**130.90**
Deferred tax liabilities:		
Customer relationships	-	-
Goodwill on merger	-	-
	-	-
Net deferred tax assets	**145.31**	**130.90**
Deferred income tax liabilities:		
Deferred income tax liabilities	-	-
	145.31	**130.90**

F Recognized deferred tax assets and liabilities
Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in INR Lakhs)

For the year ended 31 March 2020	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:					
Impairment loss allowance on financial assets	-	-	-	-	-
Provision for employee benefits	7.39	-	7.10	-	14.49
Provision for bonus	-	-	-	-	-
Provision for disputed claims	-	-	-	-	-
Business loss current year and carried forward	3.72		(3.72)		-
Unabsorbed Depreciation current year & carried forwar	47.52		(47.52)		-
Provision for interest on service tax	-	-	-	-	-
Provision for rent escalation	-	-	-	-	-
Fixed assets	14.13	-	57.66	-	71.78
MAT credit entitlement	56.87	-	-	-	56.87
Others	1.27	-	0.90	-	2.16
	130.90	-	**14.41**	-	**145.31**
Deferred tax liabilities:					
Customer relationships	-	-	-	-	-
Goodwill on merger	-	-	-	-	-
	-	-	-	-	-
Net deferred tax assets	**130.90**	-	**14.41**	-	**145.31**

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Deferred income tax liabilities:					
Deferred income tax liabilities	-	-	-	-	-
Deferred tax assets/(liabilities)	**130.90**	-	**14.41**	-	**145.31**

(Amount in INR Lakhs)

For the year ended 31 March 2019	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:					
Impairment loss allowance on financial assets	-	-	-	-	-
Provision for employee benefits	2.39	-	5.00	-	7.39
Provision for bonus	-	-	-	-	-
Provision for disputed claims	-	-	-	-	-
Business loss current year and carried forward	142.62		(138.90)		3.72
Unabsorbed Depreciation current year & carried forwar	47.07		0.46		47.52
Provision for interest on service tax	-	-	-	-	-
Provision for rent escalation	-	-	-	-	-
Fixed assets	(12.33)	-	26.46	-	14.13
MAT credit entitlement	-	-	56.87	-	56.87
Others	0.08	-	1.19	-	1.27
	179.82	-	**(48.92)**	-	**130.90**
Deferred tax liabilities:					
Customer relationships	-	-	-	-	-
Goodwill on merger	-	-	-	-	-
	-	-	-	-	-
Net deferred tax assets	**179.82**	-	**(48.92)**	-	**130.90**
Deferred income tax liabilities:					
Deferred income tax liabilities	-	-	-	-	-
Deferred tax assets/(liabilities)	**179.82**	-	**(48.92)**	-	**130.90**

G Unrecognized deferred tax assets/ (liabilities)

The Company does not have unrecognized deferred tax liabilities.

Unrecognized deferred tax assets related primarily to business losses. These unexpired business losses will expire based on the year of origination as follows:

(Amount in INR Lakhs)

As at 31 March 2020	Unabsorbed business losses
2021	-
2022	-
2023	-
2024	-
Thereafter	-
	-

43 Financial instruments - fair value and risk management

Financial instruments by category

Particulars	Note	31 March 2020			31 March 2019	
		FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Financial Assets:						
Non-current investments						
Loans		208.72			196.46	
Current investments		-			-	
Trade receivables		25.47			4.74	
Cash and cash equivalents including other bank balances		873.49			433.84	
Unbilled revenue		3,451.06			1,357.96	
Other financial assets		608.34			608.35	
Total financial assets		**5,167.09**	-	-	**2,601.35**	-
Financial Liabilities:						
Non-convertible debentures		-			-	
Lease liability		231.24			-	
Borrowings other than above*		918.29			4,059.38	
Trade payables		85.69			94.15	
Other financial liabilities		1,292.15			220.41	
Total financial liabilities		**2,527.37**	-	-	**4,373.93**	-

*Current maturities of long-term borrowings forms part of other financial liabilities

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

Fair value of financial instruments as at 31 March 2020

(Amount in INR Lakhs)

Particulars	Note	Carrying amount	Fair value		
		31 March 2020	Level 1	Level 2	Level 3
Financial assets not measured at fair value (measured at amortized cost)					
Loans		208.72	-	-	-
Trade receivables		25.47	-	-	-
Cash and cash equivalents including other bank balances		873.49	-	-	-
Other financial assets		608.34	-	-	-
Unbilled revenue		3,451.06	-	-	-
Financial assets measured at fair value					
Other non-current investments		-	-	-	-
Current investments		-	-	-	-
Total financial assets		**5,167.09**	-	-	-
Financial liabilities not measured at fair value (measured at amortized cost)					
Non-convertible debentures		-	-	-	-
Finance lease obligations		231.24	-	-	-
Borrowings other than above		-	-	-	-
Term Loan		918.29	-	-	-
Bank overdraft		-	-	-	-
Loans and borrowings		-	-	-	-
Contingent consideration		-	-	-	-
Trade payables		85.69	-	-	-
Other financial liabilities*		1,292.15	-	-	-
Financial liabilities measured at fair value					
Contingent consideration		-	-	-	-
Non-controlling interests put option		-	-	-	-
Financial liabilities		-	-	-	-
Total financial liabilities		**2,527.37**	-	-	-

*Current maturities of long-term borrowings forms part of other financial liabilities

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Fair value of financial instruments as at 31 March 2019

(Amount in INR Lakhs)

Particulars	Carrying amount	Fair value		
	31 March 2019	Level 1	Level 2	Level 3
Financial assets not measured at fair value (measured at amortized cost)				
Loans	196.46	-	-	-
Trade receivables	4.74	-	-	-
Cash and cash equivalents including other bank balances	433.84	-	-	-
Other financial assets	608.35	-	-	-
Unbilled revenue	1,357.96	-	-	-
Financial assets measured at fair value				
Other non-current investments	-	-	-	-
Current investments	-	-	-	-
Total financial assets	**2,601.35**	-	-	-
Financial liabilities not measured at fair value (measured at amortized cost)				
Non-convertible debentures	-	-	-	-
Finance lease obligations	-	-	-	-
Borrowings other than above	-	-	-	-
Term Loan	278	-	-	-
Bank overdraft	-	-	-	-
Loans and borrowings	3,781	-	-	-
Contingent consideration	-	-	-	-
Bank overdraft	-	-	-	-
Trade payables	94.15	-	-	-
Other financial liabilities*	437.45	-	-	-
Financial liabilities measured at fair value				
Contingent consideration	-	-	-	-
Non-controlling interests put option	-	-	-	-
Financial liabilities	-	-	-	-
Total financial liabilities	**4,590.98**	-	-	-

*Current maturities of long-term borrowings forms part of other financial liabilities

Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

Fair valuation method

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

A **Financial Assets:**

1) Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

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B Financial Liabilities:

1) **Borrowings**: It includes working capital loan and payments on behalf of the entity from Quess Corp Ltd . for mandatory contribution in line with NSDC guidelines for Center set up under PMKVY Projects. These borrowings are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

2) **National Skill Development Centre Loan**: This includes term loan from National Skill Development Centre of Rs.1146.47 lakhs taken by the Company which is secured against hypothecation of project assets. The loan is taken at 6% and 0% p.a. simple interest and a portion of this has been classified under Non current borrowings and the balance in other current financial liabilities.

3) '**Finance lease obligations**: The fair value of obligations under finance leases is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

4) '**Trade payables and other liabilities**: Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

44 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Board of Directors of Excelus Learning Solutions Private Limited has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current asset. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit

Credit risk on cash and cash equivalents and other bank balances and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loan represents security deposits given to suppliers, employees and others. The credit risk associated with such deposits is relatively low.

Trade receivables

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognized because of collateral.

Expected credit loss assessment for corporate customers as at 31 March 2020 and 31 March 2019 are as follows:

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are due for more than specific number of days. Loss rates are based on actual credit loss experience over the last six quarters.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers and unbilled revenue:

As at 31 March 2020

(Amount in INR Lakhs)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether trade receivable is credit impaired	Carrying amount of trade receivables
Not due	-		-	No	-
Past due 1–90 days	6.03	0.00%	-	No	6.03
Past due 91–180 days	21.21	8.35%	1.77	No	19.44
Past due 181–270 days	-		-	No	-
Above 270 days	-		-	No	-
	27.24		**1.77**		**25.47**

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As at 31 March 2019

(Amount in INR Lakhs)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether trade receivable is credit impaired	Carrying amount of trade receivables
Not due	-		-	No	-
Past due 1–90 days	4.74	0.00%	-	No	4.74
Past due 91–180 days	-		-	No	-
Past due 181–270 days	-		-	No	-
Above 270 days	-		-	No	-
	4.74		-		4.74

ii) **Liquidity risk**

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

i) Financing arrangement

(i) The Company has taken term loan from National Skill Development Corporation for Capital Expenditure management. These facilities are repayable on quarterly basis and are secured primarily by way of bank guarantee and corporate guarantees provided. The loan has been taken at interest rate of 0% (for 2 centers) and 6% as per the agreement with NSDC.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2020

(Amount in INR Lakhs)

Particulars		Contractual cash flows			
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	1,146.47	-	-	-	-
Non-convertible debentures	-	-	-	-	-
Unsecured loans from banks	-	-	-	-	-
Trade payables	85.69	-	-	-	-
Other financial liabilities	843.60	-	-	-	-

As at 31 March 2019

(Amount in INR Lakhs)

Particulars		Contractual cash flows			
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	4,279.79	-	-	-	-
Non-convertible debentures	-	-	-	-	-
Unsecured bank loans	-	-	-	-	-
Trade payables	94.15	-	-	-	-
Other financial liabilities	217.05	-	-	-	-

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iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long-term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest
The Company's borrowing comprises of loan from National Skill Development Corporation which do not expose it to interest rate risk. The borrowings includes loans from related parties which carries variable rate of interest.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in INR Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	-	3,781.30
Fixed rate borrowings	1,146.47	498.49
Total borrowings	**1,146.47**	**4,279.79**

Total borrowings considered above includes current maturities of long-term borrowings.

(b) Sensitivity

(Amount in INR Lakhs)

Particulars	Profit and loss		Equity, net of tax	
	1% increase	1% decrease	1% increase	1% decrease
31 March 2020				
Variable rate borrowings	-	-	-	-
31 March 2019	-	-	-	-
Variable rate borrowings	34.55	(34.55)	25.57	(25.57)

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Excelus Learning Solutions Pvt. Ltd. Bangalore

Excelus Learning Solutions Private Limited

(A Subsidiary of Quess Corp Limited)

Notes to the financial statements for the year ended 31 March 2020

45 Payment to auditors (included in legal and professional fees)

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit fees	2.50	2.00
Tax audit fees	0.50	0.35
Others	4.31	1.85
Reimbursement of expenses	-	0.10
	7.31	**4.30**

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Excelus Learning Solutions Pvt. Ltd. * Bangalore

Excelus Learning Solutions Private Limited

(A Subsidiary of Quess Corp Limited)

Notes to the financial statements for the year ended 31 March 2020

46 Non-current borrowings

Terms and conditions of outstanding borrowings are as follows:

(Amount in INR Lakhs)

Particulars	Currency	Coupon/ Interest rate	Carrying amount as at 31 March 2020	Carrying amount as at 31 March 2019
Secured NSDC loan	INR	6.00%	1,107.38	439.85
Secured NSDC loan	INR	0.00%	39.09	58.64
Total borrowings			**1,146.47**	**498.49**

Secured by way of :

Corporate Guarantee from Quess Corp and Bank Guarantee

First charge on assets of the project

47 Head Count details

Particulars	Core	Associate
As at 1 April 2019	551	-
Addition	416	-
Deletions	283	-
As at 31 March 2020	**684**	-

As per our report of even date attached

for **Vasan & Sampath LLP**

Chartered Accountants

Firm's Registration No.: 004542S/S200070

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Unnikrishnan Menon

Partner

Membership No. 205703

Place: Bengaluru

Date: 04/05/2020

for and on behalf of Board of Directors of

Excelus Learning Solutions Private Limited

S. Ramakrishnan

Subramanian Ramakrishnan

Director

DIN : 03522114

Suraj Krishna Moraje

Director

DIN : 08594844

Excelus Learning Solutions Pvt. Ltd. Bangalore

Place: Bengaluru

Date: 04/05/2020

GREENPEICE LANDSCAPES INDIA PVT. LTD.

FINANCIALS FOR FY 2019-20

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GREENPIECE LANDSCAPES INDIA PRIVATE LIMITED

I. Report on the Audit of the Financial Statements

1. Opinion

A. We have audited the accompanying Financial Statements of GREENPIECE LANDSCAPE INDIA PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

3. Key Audit Matters (KAM)

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

4. Other Information - Board of Directors' Report

A. The Company's Board of Directors is responsible for the preparation and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the financial statements and our auditor's report thereon.

N.S. SHASTRI & Co. ★ BANGALORE ★ CHARTERED ACCOUNTANTS

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

B. In connection with our audit of the financial statements, our responsibility is to read the Board Report and in doing so, consider whether the Board Report is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this Board Report, we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Financial Statements

A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

B. 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.

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

6. Auditor's Responsibilities for the Audit of the Financial Statements

A. 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.

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

i) Identify and assess the risks of material misstatement of the standalone 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

N.S. SHASTRI & Co. BANGALORE CHARTERED ACCOUNTANTS 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.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) 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.

v) 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.

C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

D. 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.

E. 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.

II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts.

D. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

E. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

G. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The Company does not have any pending litigations which would impact its Financial Statements.
ii) The Company did not have long term contracts including derivative contracts for which there were any material foreseeable losses.
iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For N S Shastri & Co.
Chartered Accountants
Firm's Registration No.: 015093S

N.S. SHASTRI & Co. BANGALORE CHARTERED ACCOUNTANTS

N S Shastri
Partner
Membership No. 037676

Place: Bangalore
Date: 30 April 2020
UDIN: 20037676AAAAAP1385

Annexure A

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Greenpiece Landscapes India Private Limited ("the Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.

5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

N.S. SHASTRI & Co. BANGALORE CHARTERED ACCOUNTANTS

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 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 issued by the ICAI.

For N S Shastri & Co.
Chartered Accountants
Firm's Registration No.: 015093S

N.S. SHASTRI & Co. BANGALORE CHARTERED ACCOUNTANTS

N S Shastri
Partner
Membership No. 037676

Place: Bangalore
Date: 30 April 2020
UDIN: 20037676AAAAAP1385

Annexure-B

Independent Auditor's Report on Companies (Auditor's Report) Order, 2016 ("the Order") under Sub-section 11 of Section 143 of the Companies Act, 2013 ("the Act")

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.

(b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not undertaken any transaction in respect of loans, guarantees and security covered under section 185 of the Act. In our opinion, the Company has not undertaken any transaction in respect of investments, guarantees and security covered under section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of section 186 of the Act in respect of loans given.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, service tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or any bank or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including

N.S. SHASTRI & Co. ★ BANGALORE ★ CHARTERED ACCOUNTANTS debt instruments). In our opinion, the Company has applied the term loans for the purposes for which these were raised, though idle funds which were not required for immediate utilization have been invested in liquid investments, payable on demand.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees or by the Company have been noticed or reported during the course of our audit.

(xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the company has made preferential allotment of fully convertible debentures. In respect of the same, in our opinion, the company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised.

(xv) In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them, covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such accordingly, the provisions of clause (xvi) of the Order are not applicable to the Company and hence not commented upon.

For N S Shastri & Co.
Chartered Accountants
Firm's Registration No.: 015093S

N.S. SHASTRI & Co. BANGALORE CHARTERED ACCOUNTANTS

N S Shastri
Partner
Membership No. 037676

Place: Bangalore
Date: 30 April 2020
UDIN: 20037676AAAAAP1385

Greenpiece Landscapes India Private Limited
Notes to the standalone financial statements for the year ended 31 March 2020

1 Company Overview

Greenpiece Landscapes India Private Limited is a Private Limited incorporated on 04 January 2008 (CIN: U01403KA2008PTC044865) and domiciled in India. The registered office of the company is located in Bengaluru, Karnataka, India. The Company is engaged in the business of providing services in landscaping solutions.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

2.1 Basis of preparation

Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The standalone Ind AS financial statements are presented in Indian Rupees ( ) which is also the Company's functional currency, unless otherwise stated.

Basis of measurement

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

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments).
ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations ("DBO").

2.2 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

i. **Contingent liabilities:** Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

ii. **Income taxes:** Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

iii. **Measurement of defined benefit obligations**: Key actuarial assumptions used for actuarial valuation

iv. **Impairment of financial assets:** The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments.

v. **Other estimates:** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer creditworthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.3 Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Subsequent expenditures relating to property, plant and equipment is capitalized 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. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. 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.

Greenpiece Landscapes India Pvt. Ltd. Bangalore

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method Basis ('SLM') over estimated useful life of the fixed assets estimated by the Management. Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets which coincides with the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation for assets purchased/ sold during the year is proportionately charged. The Company estimated the useful lives for fixed assets as follows:

Category	Useful Life
Furniture & Fixtures	5 Years
Computer	3 Years
Office Equipment's	5 years
Plant & Machinery	3 years
Vehicles	3 Years

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/losses.

Advance 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 the assets not put to use before such date are disclosed under 'Capital work-in-progress'

2.5 Goodwill and Other Intangible Assets

i. Other Intangible Assets

Acquired intangible assets and assets acquired on business combinations are measured initially at cost. Other intangible assets are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

ii. Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including on internally generated software is recognised in profit and loss as and when incurred.

The Company amortizes intangible assets with a finite useful life using the straight-line method.

The estimated useful lives of intangibles are as follows:

Category	Useful Life
Software	5 Years

2.6 Impairment of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.7 Leases

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

2.8 Inventories

Inventories (raw materials and stores and spares) which comprise of food consumables and operating consumables are valued at the lower of cost and net realizable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell. The comparison of cost and net realizable value is made on an item-by-item basis.

Greenpiece Landscapes India Pvt. Ltd. ★
Bangalore

2.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The entity has concluded that it is the principal in all of its revenue arrangements since it is exposed to the significant risks and rewards associated with rendering of services.

When the outcome of the contract cannot be measured reliably, revenue is recognised only to the extent that expenses incurred are eligible to be recovered. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration.

When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.

a) Revenue from Landscaping and Softscaping

Revenue from Landscaping and Softscaping services are at a fixed rate and are recognised as per the terms of the arrangement with the customers.

2.10 Other Income

Interest income or expenses is recognised using effective interest method.

2.11 Investments

The Company has elected to account its investment at cost.

2.12 Financial Instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified and measured at:

- Amortised cost
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL.

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI- equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mistake that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses	
Financial assets, at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss

c) Impairment of financial assets

The Company assess on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

d) Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients

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

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

Financial Liabilities

e) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost

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.

f) 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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging 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 recognised in OCI. These gains/ losses 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. The Company has not designated any financial liability as at fair value through profit and loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (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.

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Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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 or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Employee benefits

a) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of remeasurements of the net defined liability or asset through other comprehensive income.

Remeasurement of the net defined liability or asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods. The Company's gratuity scheme is administered through a trust with the **Birla Sun Life Insurance Company Ltd** and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

b) Short-term employee benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

c) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

d) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.14 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in profit and loss.

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2.15 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

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 as on the balance sheet date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below.

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.

Deferred tax is not recognised for :

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.
- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future, and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profits may not be available. Therefore, in case of history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

2.16 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risk specific to the liability.

2.17 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.18 Cash and cash equivalents

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

2.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.20 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

2.21 Segment Reporting

The company has only one operating segment.

2.22 Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Greenpiece Landscapes India Pvt. Ltd. ★ Bangalore

Greenpiece Landscapes India Private Limited

(Amount in INR)

Balance Sheet	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	21,18,651	20,02,613
Other intangible assets	4	1,15,115	45,292
Financial assets			
(i) Non-current investments	5	-	1,50,000
(ii) Non-current loans	6	7,16,268	6,44,701
Deferred tax assets (net)	7	-	2,20,11,118
Income tax assets (net)	7	1,18,62,487	58,84,225
Total non-current assets		**1,48,12,521**	**3,07,37,948**
Current assets			
Inventories	8	9,39,78,107	5,08,54,877
Financial assets			
(ii) Trade receivables	9	8,22,31,814	10,51,60,154
(iii) Cash and cash equivalents	10	33,522	34,733
(iv) Bank balances other than cash and cash equivalents above	11	1,15,39,501	1,80,30,277
(v) Current loans	12	11,71,800	16,88,977
(vi) Unbilled revenue	13	6,01,60,050	5,56,16,104
(vii) Other current financial assets	14	5,34,439	-
Other current assets	15	37,00,071	53,90,006
Total current assets		**25,33,49,304**	**23,67,75,128**
Total Assets			
Total assets		**26,81,61,825**	**26,75,13,076**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	80,00,000	78,00,000
Instrument Equity in Nature	17	8,44,31,000	-
Other equity	18	(11,17,02,132)	(4,30,80,605)
Total equity attributable to equity holders of the Company		**(1,92,71,132)**	**(3,52,80,605)**
Non-controlling interests		-	-
Total equity		**(1,92,71,132)**	**(3,52,80,605)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Non-current provisions	19	40,90,342	33,44,942
Total non-current liabilities		**40,90,342**	**33,44,942**
Current liabilities			
Financial liabilities			
(i) Current borrowings	20	16,83,99,507	15,20,04,335
(ii) Trade payables	21	6,15,94,016	8,63,36,421
(iii) Other current financial liabilities	22	4,28,56,883	2,37,12,156
Current provisions	23	5,39,959	34,81,265
Other current liabilities	24	99,52,251	3,39,14,561
Total current liabilities		**28,33,42,615**	**29,94,48,739**
Total Liabilities		**28,74,32,957**	**30,27,93,681**
Total Equity and Liabilities		**26,81,61,825**	**26,75,13,076**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for N S Shastri & Co.,
Chartered Accountants
Firm's Registration No.: 015093S

N.S. SHASTRI & Co. BANGALORE CHARTERED ACCOUNTANTS

N S Shastri
Partner
Membership No.: 037676

Place: Bengaluru
Date: 30 April 2020

for and on behalf of the Board of Directors of
Greenpiece Landscapes India Private Limited

S. Ramakrishnan

Chidambaram Anand Sundar Raj
Director
DIN: 07971482

Place: Bengaluru
Date: 30 April 2020

Subramanian Ramakrishna
Director
DIN: 03522114

Place: Bengaluru
Date: 30 April 2020

Greenpiece Landscapes India Pvt. Ltd. Bangalore

Greenpiece Landscapes India Private Limited

(Amount in INR)

Statement of profit and loss	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	25	22,88,14,851	33,46,64,593
Other income	26	14,47,857	28,07,134
Total income		**23,02,62,708**	**33,74,71,727**
Expenses			
Cost of material and stores and spare parts consumed	27	11,85,71,752	19,38,01,284
Employee benefit expenses	28	8,56,96,529	9,65,48,889
Finance costs	29	1,67,05,515	1,16,55,787
Depreciation and amortisation expenses	30	11,65,376	27,47,831
Other expenses	31	6,36,79,883	6,36,55,696
Total expenses		**28,58,19,055**	**36,84,09,487**
Profit before share of profit of equity accounted investees and income tax		**(5,55,56,346)**	**(3,09,37,760)**
Share of profit of equity accounted investees (net of income tax)		-	-
Profit before tax		**(5,55,56,346)**	**(3,09,37,760)**
Tax credit/ (expense)			
Current tax: Minimum Alternative Tax ('MAT') for the year		-	-
Excess provision of tax relating to earlier years		-	1,11,671
Deferred tax (including MAT credit entitlement)	7	(2,20,11,118)	84,95,298
Total tax credit/ (expense)		**(2,20,11,118)**	**86,06,969**
Profit for the year		**(7,75,67,464)**	**(2,23,30,791)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement Income on defined benefit plans	40	22,41,885	1,22,915
Share of other comprehensive income of equity accounted investees (net of income tax)		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	(34,195)
Total other comprehensive income for the year, net of income tax		**22,41,885**	**88,720**
Total comprehensive income for the year		**(7,53,25,579)**	**(2,22,42,071)**
Profit attributable to			
Owners of the Company		(7,75,67,464)	(2,23,30,791)
Non-controlling interests		-	-
Total profit for the year		**(7,75,67,464)**	**(2,23,30,791)**
Other comprehensive income attributable to			
Owners of the Company		22,41,885	88,720
Non-controlling interests		-	-
Total other comprehensive income for the year		**22,41,885**	**88,720**
Total comprehensive income attributable to :			
Owners of the Company		(7,53,25,579)	(2,22,42,071)
Non-controlling interests		-	-
Total comprehensive income for the year		**(7,53,25,579)**	**(2,22,42,071)**
Earnings per equity share (face value of INR 10.00 each)			
Basic (in INR)	37	(99.06)	(28.63)
Diluted (in INR)	37	(86.69)	(28.63)

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for N S Shastri & Co.,
Chartered Accountants
Firm's Registration No.: 015093S

N S Shastri
Partner
Membership No.: 037676

Place: Bengaluru
Date: 30 April 2020

for and on behalf of the Board of Directors of
Greenpiece Landscapes India Private Limited

Chidambaram Anand Sundar Raj
Director
DIN: 07971482

Place: Bengaluru
Date: 30 April 2020

Subramanian Ramakrishnan
Director
DIN: 03522114

Place: Bengaluru
Date: 30 April 2020

Greenpiece Landscapes India Private Limited
Statement of Changes in Equity for the year ended 31 March 2020

(A) Equity share capital

(Amount in INR)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
Opening balance	16	78,00,000	78,00,000
Changes in equity share capital	17	2,00,000	-
Closing balance		**80,00,000**	**78,00,000**

(B) Other equity

(Amount in INR)

Particulars	Reserves & Surplus: Retained earnings	General reserve	Capital Reserve	Other reserves	Other Comprehensive Income: Remeasurement of the net defined benefit	Total attributable to equity holders of the Company
Balance as of 1 April 2018	1,97,91,702	19,26,309		-	2,53,023	2,19,71,034
Total comprehensive income for the year ended 31 March 2019						-
Profit for the year	(2,23,30,791)	-		-	-	(2,23,30,791)
Changes in accounting policy	(4,36,09,568)					(4,36,09,568)
Other comprehensive income (net of tax)	-	-			88,720	88,720
Add: Fair value of financial guarantee received				8,00,000		8,00,000
Total comprehensive income	(6,59,40,359)	-		8,00,000	88,720	(6,50,51,639)
Balance as at 31 March 2019	(4,61,48,657)	19,26,309		8,00,000	3,41,743	(4,30,80,605)

Particulars	Note	Reserves & Surplus: Retained earnings	General reserve	Capital Reserve	Other reserves	Other Comprehensive Income: Remeasurement of the net defined benefit liability/asset	Total attributable to equity holders of the Company
Balance as of 1 April 2019		(4,61,48,657)	19,26,309	-	8,00,000	3,41,743	(4,30,80,605)
Total comprehensive income for the year ended 31 March 2020							
Profit for the year		(7,75,67,464)	-		-		(7,75,67,464)
Merger Impact		-		67,04,051		-	67,04,051
Other comprehensive income (net of tax)		-	-			22,41,885	22,41,885
Total comprehensive income		(7,75,67,464)	-	67,04,051	-	22,41,885	(6,86,21,528)
Balance as of 31 March 2020		(12,37,16,121)	19,26,309	67,04,051	8,00,000	25,83,628	(11,17,02,132)

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for *N S Shastri & Co.,*
Chartered Accountants
Firm's Registration No.: 015093S

N.S. SHASTRI & Co. BANGALORE CHARTERED ACCOUNTANTS

N S Shastri
Partner
Membership No.: 037676

Place: Bengaluru
Date: 30 April 2020

for and on behalf of the Board of Directors of
Greenpiece Landscapes India Private Limited

Chidambaram Anand Sundar Raj
Director
DIN: 07971482

Place: Bengaluru
Date: 30 April 2020

Greenpiece Landscapes India Pvt. Ltd. Bangalore

Subramanian Ramakrishnan
Director
DIN: 03522114

Place: Bengaluru
Date: 30 April 2020

Greenpiece Landscapes India Private Limited
Statement of Cash Flows

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities		
Profit before tax	(5,55,56,346)	(3,09,37,760)
Adjustment for Changes in Accounting Policy (Ind AS 115)	-	(4,36,09,568)
Adjustments for:		
Interest income on term deposits	(8,17,060)	(6,22,963)
Interest on income tax refunds	-	(5,67,383)
(Profit)/ Loss on sale of property, plant and equipment, net	(4,62,000)	-
Gurantee Expenses	-	4,00,000
Liabilities no longer required written back	-	(3,01,710)
Finance costs	1,67,05,515	1,02,59,538
Depreciation and amortisation expense	11,65,376	27,47,831
Provision for rent escalation	-	(16,098)
Impairment loss allowance on financial assets	19,86,854	-
Bad debts written off	93,62,980	1,51,53,569
Deposits/advances written-off	2,13,834	-
Operating cash flows before working capital changes	**(2,74,00,847)**	**(4,74,94,545)**
Changes in operating assets and liabilities		
(Increase) in inventories	(4,31,23,230)	(1,81,02,984)
(Increase)/ decrease in trade receivables	1,15,78,506	3,15,14,642
(Increase) in unbilled revenue	(45,43,947)	(5,56,16,104)
(Increase) in Non Current loans	(71,567)	(65,507)
(Increase) in current loans	5,17,177	(6,61,977)
Decrease in other current financial assets	-	10,32,621
(Increase) in other current assets	16,26,101	2,31,404
(Decrease) in trade payables	(1,80,38,355)	81,23,025
(Decrease) in other current financial liabilities	2,06,43,801	(62,67,981)
Increase in non-current and current provisions	45,979	10,29,563
Increase in other current liabilities	(2,39,62,310)	1,45,064
Cash generated from operations	**(8,27,28,692)**	**(8,61,32,779)**
Income taxes paid, net of refund	(59,78,263)	(64,28,267)
Net cash provided by operating activities (A)	**(8,87,06,954)**	**(9,25,61,044)**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(13,51,237)	(22,23,352)
Proceeds from sale of fixed assets	4,62,000	3,67,916
Bank deposits (having original maturity of more than three months)	64,90,776	11,91,943
Interest income on term deposits	2,82,621	6,22,963
Interest on IT Refund	-	5,67,383
Net cash used in investing activities (B)	**58,84,160**	**5,26,853**
Cash flows from financing activities		
Proceeds from/ (repayment of) vehicle loan, net		
Proceeds from short term borrowings, net	(4,36,04,828)	5,72,12,459
Redemption of preference shares	-	
Loans received from/ (repayment to) related parties	6,00,00,000	4,50,00,000
Proceeds from issue of equity shares	8,46,31,000	-
Interest paid	(1,82,04,589)	(1,02,59,538)
Net cash provided by financing activities (C)	**8,28,21,583**	**9,19,52,922**
Net increase in cash and cash equivalents (A+B+C)	(1,211)	(81,270)
Cash and cash equivalents at the beginning of the year	34,733	1,16,003
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year* (refer note 10)	**33,522**	**34,733**

Components of cash and cash equivalents (refer note 10)

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
Cash in hand		
Cheque in hand	20,094	20,656
Balances with banks		
In current accounts		
In EEFC accounts	13,428	14,077
In deposit accounts (with original maturity of less than 3 months)		
Cash and cash equivalents in consolidated balance sheet	**33,522**	**34,733**
Bank overdraft used for cash management purpose		
Cash and cash equivalent in the consolidated statement of cash flow	**33,522**	**34,733**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for N S Shastri & Co.,
Chartered Accountants
Firm's Registration No.: 015093S

N S Shastri
Partner
Membership No.: 037676

Place: Bengaluru
Date: 30 April 2020

N.S. SHASTRI & CO. BANGALORE CHARTERED ACCOUNTANTS

for and on behalf of the Board of Directors of
Greenpiece Landscapes India Private Limited

Chidambaram Anand Sundar Raj
Director
DIN: 07971482

Place: Bengaluru
Date: 30 April 2020

S. Ramakrishnan

Subramanian Ramakrishnan
Director
DIN: 03522114

Place: Bengaluru
Date: 30 April 2020

Greenpiece Landscapes India Private Limited
Notes to the financial statements for the year ended 31 March 2020

5 Non Current Investments

Particulars	As at 31 March 2020	As at 31 March 2019
		(Amount in INR)
Investment in NSC bonds	-	1,50,000
	-	1,50,000

6 Non current loans

Particulars	As at 31 March 2020	As at 31 March 2019
		(Amount in INR)
Unsecured - Considered good		
Security deposits	7,16,268	6,44,701
Loans to employees		-
	7,16,268	6,44,701

7 Taxes

A Amount recognised in profit or loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
		(Amount in INR)
Current tax:		
In respect of the current period		-
Excess provision related to prior years	-	(1,11,671)
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	2,20,11,118	(84,95,298)
Increase/ reduction of tax rate	-	-
Income tax expense reported in the Statement of Profit and Loss	**2,20,11,118**	**(86,06,969)**

B Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
		(Amount in INR)
Remeasurement of the net defined benefit liability/ asset		
Before tax	22,41,885	1,22,915
Tax (expense)/ benefit	-	(34,195)
Net of tax	**22,41,885**	**88,720**

D Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	*(Amount in INR)*
	Rate	Amount	Rate	Amount
Profit before tax		(5,55,56,346)		(3,09,37,760)
Tax using the Company's domestic tax rate	27.82%	(1,54,55,775)	27.82%	(86,06,885)
Effect of:				
Non-deductible expenses	0%	-	[illegible]	1,25,446
Difference in enacted tax rate	0.00%	-	0%	(1,31,557)
Others	0.00%	292	-	1,17,523
Effective tax rate	**27.82%**	**(1,54,55,483)**	**0.00%**	**(84,95,474)**
Excess provisions relating to earlier years	-	(3,74,66,601)	-0.36%	1,11,495
Income tax credit/(expense) reported in the Statement of Profit and Loss	**39.62%**	**(2,20,11,118)**	**0.00%**	**86,06,969**

E The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019

Non-current tax assets (net)

Particulars	As at 31 March 2020	As at 31 March 2019
		(Amount in INR)
Income tax assets	1,18,62,487	58,84,225
Income tax liabilities	-	-
Net income tax assets at the end of the year	**1,18,62,487**	**58,84,225**

Greenpiece Landscapes India Pvt. Ltd. Bangalore

F Deferred tax assets, net

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax assets:		
Impairment loss allowance on financial assets	-	85,44,173
Provision on employee benefits- Gratuity	-	18,99,051
Provision on employee benefits- Compensated absences	-	23,99,924
Provision for bonus	-	9,07,593
Deffered tax on fixed assets	-	7,37,299
Deferred Tax others	-	75,23,077
Deferred tax assets	-	2,20,11,118

G Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in INR)

For the year ended 31 March 2020	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:					
Impairment loss allowance on financial assets	85,44,173	-	(85,44,173)	-	-
Provision on employee benefits- Gratuity	18,99,051	-	(18,99,051)	-	-
Provision on other employee benefits, if any	23,99,924	-	(23,99,924)	-	-
Provision for bonus	9,07,593	-	(9,07,593)	-	-
Fixed assets	7,37,299	-	(7,37,299)	-	-
Others	75,23,077	-	(75,23,077)	-	-
	2,20,11,118	-	**(2,20,11,118)**	-	-
Deferred tax liabilities:					
Customer relationships	-	-	-	-	-
Goodwill on merger	-	-	-	-	-
	-	-	-	-	-
Net deferred tax assets	**2,20,11,118**	-	**(2,20,11,118)**	-	-
Deferred income tax liabilities:					
Deferred income tax liabilities	-	-	-	-	-
Deferred tax assets/(liabilities)	**2,20,11,118**	-	**(2,20,11,118)**	-	-

For the year ended 31 March 2019	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:					
Impairment loss allowance on financial assets	1,15,08,412	-	(29,64,239)	-	85,44,173
Provision for employee benefits	16,30,987	-	3,02,259	(34,195)	18,99,051
Provision on other employee benefits, if any	-	-	23,99,924	-	23,99,924
Provision for bonus	-	-	9,07,593	-	9,07,593
Provision for rent escalation	4,435	-	(4,435)	-	-
Fixed assets	2,23,211	-	5,14,088	-	7,37,299
Others	1,82,970	-	73,40,107	-	75,23,077
	1,35,50,015	-	**84,95,298**	**(34,195)**	**2,20,11,118**
Deferred tax liabilities:					
Customer relationships	-	-	-	-	-
Goodwill on merger	-	-	-	-	-
	-	-	-	-	-
Net deferred tax assets	**1,35,50,015**	-	**84,95,298**	**(34,195)**	**2,20,11,118**
Deferred income tax liabilities:					
Deferred income tax liabilities	-	-	-	-	-
Deferred tax assets/(liabilities)	**1,35,50,015**	-	**84,95,298**	**(34,195)**	**2,20,11,118**

8 Inventories

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Valued at lower of cost and net realizable value		
Raw material and consumables	9,39,78,107	5,08,54,877
	9,39,78,107	5,08,54,877

Greenpiece Landscapes India Pvt. Ltd.
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9 **Trade receivables**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Considered good	9,54,94,998	11,48,84,644
Considered doubtful	1,94,36,012	2,09,87,852
	11,49,31,010	**13,58,72,496**
Loss allowance [refer note 33]		
Doubtful	(1,94,36,012)	(97,24,490)
Unsecured considered good	(1,32,63,184)	(2,09,87,852)
	(3,26,99,196)	**(3,07,12,342)**
Net trade receivables	**8,22,31,814**	**10,51,60,154**

All trade receivables are current

The Company exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 33

10 **Cash and cash equivalents**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
Cash in hand	20,094	20,656
Balances with banks		
In current accounts	13,428	14,077
Cash and cash equivalents in balance sheet	**33,522**	**34,733**
Bank overdraft used for cash management purpose	-	-
Cash and cash equivalent in the statement of cash flow	**33,522**	**34,733**

11 **Bank balances other than cash and cash equivalents**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
In deposit accounts (mature within 12 months from the reporting date)	1,15,39,501	1,80,30,277
	1,15,39,501	**1,80,30,277**

12 **Current loans**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured Considered good		
Security deposits	11,71,800	16,88,977
	11,71,800	**16,88,977**

13 **Unbilled revenue**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Unbilled revenue*	6,01,60,050	5,56,16,103.61
	6,01,60,050	**5,56,16,103.61**

14 **Other current financial assets**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Interest accrued but not due	5,34,439	-
	5,34,439	-

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15 **Other current assets**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Advances other than capital advances		
Prepaid expenses	1,24,830	7,23,244
Salary Advance	10,00,000	20,000
Travel advances to employees	6,63,778	1,26,353
Balances with government authorities	14,44,787	35,82,095
Other advances	-	1,91,848
Security Deposits - Govt	4,06,677	1,34,206
ESI payments made under protest	-	5,12,357
	37,06,071	**53,90,306**

16 **Equity share capital**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
8,50,000 (31 March 2019: 7,80,000) equity shares of par value of Rs 10 each	85,00,000	80,00,000
	85,00,000	**80,00,000**
Issued, subscribed and paid-up		
8,00,000 (31 March 2019: 7,80,000) equity shares of par value of Rs 10 each, fully paid up	80,00,000	78,00,000
Share Application money	-	-
	80,00,000	**78,00,000**

16.1 **Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.
Equity shares				
At the commencement of the year	7,80,000	78,00,000	7,80,000	78,00,000
Add: Shares issued during the year	20,000	2,00,000	-	-
At the end of the year	**8,00,000**	**80,00,000**	**7,80,000**	**78,00,000**

16.2 **Rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amounts (if any) in proportion to the number of equity shares held.

16.3 **Shares held by Holding Company**

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	8,00,000	80,00,000	7,02,000	70,20,000
	8,00,000	**80,00,000**	**7,02,000**	**70,20,000**

16.4 **Details of shareholders holding more than 5% shares in the Company**

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% held	Number of shares	% held
Equity shares				
Quess Corp Limited	7,99,990	100%	7,02,000	90%
Sunil De Sousa	-	0%	78,000	10%
Ajit Isaac	10	0%	-	
	8,00,000	**100%**	**7,80,000**	**100%**

17 **Instruments entirely equity in nature**

Particulars	As at 31 March 2020	As at 31 March 2019
Compulsorily Convertible Debentures		
84,431 (31 March 2019: NIL) compulsorily convertible debentures of par value of Rs 1,000 each	8,44,31,000	-
	8,44,31,000	-

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During the year ended 31 March 2020, the Company in its Board of Director Meeting held on 10 September 2019 passed a resolution to issue 84,431 redeemable Convertible debentures at a face value of Rs 1,000 aggregating to Rs 8,44,31,000. The Debenture Holders shall have thee right to convert any or all of the CCDs any time during the tenure of CCD, at a conversion price of INR 393.45/-

The CCDs shall during the tenure or until conversion, whichever is earlier, entitle Debenture Holder to receive a coupon on an annual basis in INR at the rate of 10% (Ten percent) per annum from the date of issue and allotment of CCDs ("Coupon"), subject to prior approval of the Board of Directors and deduction of any applicable taxes on payment of Coupon, including withholding tax. The Coupon shall be payable on a quarterly basis and be paid within 15 calendar days from commencement of each subsequent quarter in which the interest became due unless otherwise agreed between the parties to this agreement

17.1 **(a) Reconciliation of the number of compulsorily convertible debentures outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of CCDs	Amount in Rs.	Number of CCDs	Amount in Rs.
Number of compulsorily convertible debentures (CCDs)	84,431	8,44,31,000	-	
	84,431	**8,44,31,000**	-	-

(b) The rights, preferences and restrictions attaching to compulsorily convertible debentures issued to Quess Corp Limited, holding company including

The Company has one class of compulsorily convertible debentures of Rs 1,000 per CCD. These CCDs are unsecured and carry a discretionary coupon of 10% per annum. The CCDs shall have a tenure of 10 years from the date of issue. The holder of these CCDs shall have the right to convert any or all of the CCDs, at any time during the tenure of CCDs. CCDs outstanding at the end of the tenure shall be automatically converted into Equity shares of the Company

(c) Particulars of compulsorily convertible debentures held

Particulars	As at 31 March 2020	As at 31 March 2019
Quess Corp Limited, holding company	84,431	-
	84,431	-

(d) CCD holders holding more than 5% of compulsorily convertible debentures along with the total number of CCDs held at the beginning and at the end of the

Particulars	Number of CCDs		Number of CCDs	
	Nos held	% held	Nos held	% held
Quess Corp Limited, holding company	84,431	100%	-	-
	84,431	**100%**	-	-

18 **Other equity***

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
General reserve account	19,26,309	19,26,309
Other comprehensive income (refer note 18.1)	25,83,628	3,41,743
Other Equity- Corporate Guarantee	8,00,000	8,00,000
Retained earnings	(12,37,16,121)	(4,61,48,657)
Capital Reserve	67,04,052	-
	(11,17,02,132)	(4,30,80,605)

* For detailed movement of reserves refer Statement of Changes in Equity

18.1 **Other comprehensive income**

Remeasurement of the net defined benefit liability (asset) comprises actuarial gain and losses and return on plan assets (excluding interest income)

19 **Non-current provisions**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Provision for gratuity (refer note 40)	40,90,342	33,44,942
	40,90,342	33,44,942

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20 Current borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
		(Amount in INR)
Loans from bank repayable on demand		
Secured		
Cash credit and overdraft facilities (refer note 20.1 & 20.2)	10,83,99,507	10,70,04,335
Loan from related parties, unsecured		
- Quess Corp Limited (refer note 20.3)	6,00,00,000	4,50,00,000
	16,83,99,507	**15,20,04,335**

Information about the Company exposure to interest rate and liquidity risk is included in note 33

20.1 The Company has taken Overdraft facilities having interest rates ranging from MCLR+ strategic premium (0.25%) i.e. 10% p.a at present with monthly rest. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on cash margin on bank gurantee of BOB and collateral security that are presently charged with BOB and entire machinery, equipments , electrical installations, furniture & fixtures , office equipments , Raw Material, stores and spares , packing material , book debts both present and future ,other movable property of the company and Corporate Gurantee by Holding Company(Quess Corp limited)

20.2 The Company has taken bill Cash credit from YES BANK having interest rate of 3 months MCLR and Working capital demand loan from YES BANK having interest rate of 1 month MCLR and Sales invoice financing from YES BANK having interest rate of 1 month MCLR. Bank Gurantee facilities from YES Bank having pricing 0.70% p.a. payable upfront. These facilities are repayable on demand and are secured primarily by way of pari passa first charge on the certain current and movable fixed assets of the Company on both present and future and Corporate Gurantee by Holding Company(Quess Corp limited)

20.3 During the year, the Company has taken working capital loan of Rs. 30,000,000 from its Holding Company (Quess Corp Limited) and Rs. 30,000,000 from fellow subsidiary (Aravon Aravon Services Private Limited) which was later merged into Quess Corp Limited w.e.f. 1 April 2019. Loan is carrying an interest rate of 10 year India Government Bond Rate

21 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
		(Amount in INR)
Dues to micro, small and medium enterprises (refer note 45)		
Trade payables to related parties (refer note 38)	-	67,74,177
Other trade payables	6,15,94,016	7,95,62,245
	6,15,94,016	**8,63,36,421**

The Company exposure to liquidity risk related to trade payables is disclosed in note 33

22 Other current financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
		(Amount in INR)
Amount payable to related parties	10,61,470	25,60,345
Other Payables		
Accrued salaries and benefits	86,24,983	57,27,741
Provision for expenses	2,97,14,647	1,21,61,494
Provision for bonus and incentive	34,55,783	32,62,377
	4,28,56,883	**2,37,12,156**

(i) The Company exposure to liquidity risk related to other current financial liabilities is disclosed in note 33

23 Current provisions

Particulars	As at 31 March 2020	As at 31 March 2019
		(Amount in INR)
Provision for employee benefits		
Provision for gratuity (refer note 30)	5,39,959	34,81,265
	5,39,959	34,81,265

24 Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
		(Amount in INR)
Advance received from customers	82,20,569	2,27,63,888
Balances payable to government authorities	17,31,682	1,11,50,673
	99,52,251	**3,39,14,561**

Greenpiece Landscapes India Pvt. Ltd. Bangalore

25 Revenue from operations

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from Projects		
- Landscape & Softscape Income	17,70,06,490	28,28,47,174
Total revenue from Projects	**17,70,06,490**	**28,28,47,174**
Revenue from Service		
- Maintenance Income	4,98,31,751	4,78,95,419
- Consultancy Income	19,76,611	39,22,000
Total revenue from Service	**5,18,08,362**	**5,18,17,419**
	22,88,14,851	**33,46,64,593**

26 Other income

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income under the effective interest method on		
Cash and cash equivalents	8,17,060	6,22,963
Interest income on present valuation of financial instruments	1,64,187	65,507
Interest on tax refunds due	-	5,67,383
Profit on sale of property, plant and equipment and intangible assets	4,62,000	-
Liabilities no longer required written back	-	3,01,710
Bad debts recovered	-	11,89,992
Miscellaneous income	4,610	59,580
	14,47,857	**28,07,134**

27 Cost of material and stores and spare parts consumed

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventory at the beginning of the year	5,08,54,877	3,27,51,893
Add: Purchases	16,16,94,982	21,19,64,268
Less: Inventory at the end of the year	9,39,78,107	5,08,54,877
Cost of materials and stores and spare parts consumed	**11,85,71,752**	**19,38,01,284**

28 Employee benefits expense

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	7,98,68,129	7,66,17,527
Contribution to provident and other funds	27,44,613	1,61,43,237
Expenses related to post-employment defined benefit plan	29,45,979	20,29,563
Staff welfare expenses	10,37,808	17,58,562
	8,56,96,529	**9,65,48,889**

29 Finance costs

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on financial liabilites measured at amortised cost	1,48,20,466	1,02,59,538
Other borrowing costs	18,85,048	13,96,249
	1,67,05,515	**1,16,55,787**

30 Depreciation and amortisation expense

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 3)	10,93,599	25,25,699
Amortisation of intangible assets (refer note 4)	71,777	2,22,132
	11,65,376	**27,47,831**

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31 Other expenses

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Recruitment and training expenses	-	23,474
Rent (refer note 31.1)	64,85,355	71,17,725
Power and Fuel	1,29,385	2,19,907
Repairs & maintenance		
- plant and machinery	18,94,089	25,68,115
Legal and professional fees (refer note 31.2)	24,25,075	33,36,736
Rates and taxes	41,06,163	17,60,729
Labour Charges	2,29,62,082	2,08,66,169
Printing and stationery	4,69,766	6,73,095
Travelling and conveyance	41,59,089	50,09,938
Communication expenses	4,75,312	7,38,294
Transportation Charges	33,93,324	48,57,164
Loss allowance on financial assets, net [refer note 33]	19,86,854	(90,20,949)
Equipment hire charges	41,53,343	81,07,592
Insurance	4,79,137	8,79,577
Office expenses	2,37,544	3,32,473
Commission and Brokerage	29,000	94,000
Postage and Courier	40,008	68,902
Interest Expenses - Others		2,87,452
Donation	20,000	-
Bank charges	1,57,543	10,81,804
Bad debts written off	33,62,980	1,51,53,569
Deposits/advances written-off	2,13,834	-
	6,36,79,883	6,36,55,696

31.1 Rent

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Rent on Plant and machinery	-	6,69,605
Rent-Project	50,90,498	51,65,698
Rent-Office	13,94,857	12,82,422
	64,85,355	71,17,725

31.2 Payment to auditors (net of GST; included in legal and professional fees)

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit fees	2,25,000	2,25,000
Tax audit fees	25,000	25,000
	2,50,000	2,50,000

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3 **Property, plant and equipment** (Amount in INR)

Particulars	Furniture & Fixtures	Computer	Office Equipments	Plant & Machinery	Vehicles	TOTAL
Deemed Cost as at 01 April 2018	5,74,280	7,40,611	3,28,507	23,80,466	3,39,098	43,62,962
Additions during the Year	8,43,128	3,70,355	1,53,300	8,56,569		22,23,352
Disposals for the Year	-3,23,707	-30,209	-	-14,000	-	-3,67,916
Balance as at 31 March 2019	10,93,701	10,80,757	4,81,807	32,23,035	3,39,098	62,18,398
Additions during the Year		54,917		3,80,495	7,74,225	12,09,637
Disposals for the Year	-	-		-10,34,032	-3,39,098	-13,73,130
Balance as at 31 March 2020	10,93,701	11,35,674	4,81,807	25,69,498	7,74,225	60,54,985
Accumulated depreciation as at April 2018	2,88,660	5,69,016	1,62,733	4,98,183	1,71,552	16,90,686
Depreciation for the year	1,91,902	1,99,362	52,086	3,54,609	-	7,97,959
Depreciation Adjustment-Change in Policy	1,07,030	-84,046	2,565	15,34,587	1,67,546	17,27,740
Accumulated depreciation on deletions	-	-	-	-	-	-
Balance as at 31 March 2019	5,87,592	6,84,332	2,17,384	23,87,379	3,39,098	42,15,785
Depreciation for the year	1,08,330	2,11,633	74,329	1,82,439	2,16,868	10,93,599
Depreciation Adjustment-Change in Policy	-	-	-	-	-	-
Accumulated depreciation on deletions	-	-	-	-10,34,032	-3,39,098	-13,73,130
Balance as at 31 March 2020	6,95,922	8,95,965	2,91,713	18,35,786	2,16,868	39,36,254
Net Carrying Amount						-
As at 31 March 2020	3,97,779	2,39,709	1,90,094	7,33,712	5,57,357	21,18,651
As at 31 March 2019	5,06,109	3,96,425	2,64,423	8,35,656	-	20,02,613

There has been No Impairment losses recognised during the year or previous year

4 **Intangible assets**

Particulars	Intangible Asset	TOTAL
Balance as at 31 March 2018	6,66,396	6,66,396
Additions during the Year	-	-
Disposals for the Year	-	-
Balance as at 31 March 2019	6,66,396	6,66,396
Additions during the Year	1,41,600	1,41,600
Disposals for the Year	-	-
Balance as at 31 March 2020	8,07,996	8,07,996
Accumulated Amortisation	3,98,972	3,98,972
Amortisation for the Year	2,22,132	2,22,132
Accumulated Amortisation on deletions	-	-
Balance as at 31 March 2019	6,21,104	6,21,104
Amortisation for the Year	71,777	71,777
Accumulated Amortisation on deletions	-	-
Balance as at 31 March 2020	6,92,881	6,92,881
Net Carrying Amount		
As at 31 March 2020	1,15,115	1,15,115
As at 31 March 2019	45,292	45,292

There has been No Impairment losses recognised during the year or previous year

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32 Financial instruments - fair value and risk management

Financial instruments by category

(Amount in INR)

Particulars	Note	31 March 2020 FVTPL	31 March 2020 FVTOCI	31 March 2020 Amortised Cost	31 March 2019 FVTPL	31 March 2019 FVTOCI	31 March 2019 Amortised Cost
Financial assets:							
Non-current investments	5	-		-		-	1,50,000
Loans	6 & 12	-	-	18,88,068	-	-	23,33,678
Trade receivables	9	-	-	8,22,31,814	-	-	10,51,60,154
Cash and cash equivalents including other bank balances	10 & 11	-	-	1,15,73,023	-	-	1,80,65,010
Unbilled revenue	13	-	-	6,01,60,050	-	-	5,56,16,104
Other financial assets	14	-	-	5,34,439		-	-
Total financial assets		-	-	**15,63,87,394**	-	-	**18,13,24,945**
Financial liabilities:							
Borrowings	20	-	-	16,83,99,507	-	-	15,20,04,335
Trade payables	21			6,15,94,016	-	-	8,63,36,421
Other current financial liabilities	22	-	-	4,28,56,883	-	-	2,37,12,156
Total financial liabilities		-	-	**27,28,50,406**	-	-	**26,20,52,913**

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:
a) recognised and measured at fair value
b) measured at amortised cost and for which fair values are disclosed in the financial statements

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(Amount in INR)

Particulars	Note	Carrying Amount 31 March 2020	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Financial assets measured at amortised cost					
Non-current investments	5	-			
Loans	6 & 12	18,88,068	-	-	-
Trade receivables	9	8,22,31,814	-	-	-
Cash and cash equivalent including other bank balances	10 & 11	1,15,73,023			-
Unbilled revenue	13	6,01,60,050			
Other financial assets	14	5,34,439			
Total financial assets		**15,63,87,394**	-	-	-
Financial liabilities measured at amortised cost					
Borrowings	20	16,83,99,507			
Trade payables	21	6,15,94,016	-		
Other current financial liabilities	22	4,28,56,883	-	-	-
Total financial liabilities		**27,28,50,406**	-	-	-

Financial instruments - fair value and risk management

(Amount in INR)

Particulars	Note	Carrying Amount 31 March 2019	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Financial assets measured at amortised cost					
Non-current investments	5	1,50,000			
Loans	6 & 12	23,33,678	-	-	-
Trade receivables	9	10,51,60,154	-	-	-
Cash and cash equivalent including other bank balances	10 & 11	1,80,65,010	-	-	-
Unbilled revenue	13	5,56,16,104	-	-	-
Total financial assets		**18,13,24,945**	-	-	-
Financial liabilities measured at amortised cost					
Borrowings	20	15,20,04,335	-	-	-
Trade payables	21	8,63,36,421	-	-	-
Other current financial liabilities	22	2,37,12,156	-	-	-
Total financial liabilities		**26,20,52,913**	-	-	-

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference securities, mutual funds and debentures that have quoted price

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference securities and non-convertible debentures included in level 3

Fair valuation method

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

A **Financial Assets:**

1 The Company has not disclosed the fair values of non current investments, loans, trade receivables, cash and cash equivalents including other bank balances and unbilled revenue because their carrying values are a reasonable approximation of their fair value

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B Financial Liabilities

1 **Borrowings**: It includes cash credit and overdraft facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the overdraft is reset on a monthly/quarterly basis, the carrying amount of the overdraft would be a reasonable approximation of its fair value.

2 **Trade payables and other financial liabilities**: Fair values of trade payables and other liabilities are measured at carrying value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to their carrying values.

33 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The management is assisted in its oversight role by internal auditors. Internal Audit function includes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the management.

i) **Credit Risk**

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three Months for customers. The Company does not have trade receivables for which no loss allowance is recognised.

Expected credit loss assessment for corporate customers as at 31 March 2019 and 31 March 2020 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivables from customers. Based on industry practices and the business environment which the entity operates, the management considers that trade receivables are in default (Credit impaired), if the payments are more than 270 days past due. Loss rates are based on actual credit loss experience over last eight quarters.

These rates have been adjusted to reflect the management's view of economic conditions over the expected lives of the receivables.

The following table provides information about the credit risk and expected credit loss for trade receivables from customers

As at 31 March 2020

(Amount in INR)

Particulars	Gross Carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not Due	5,52,42,175	2.96%	16,34,577	No	5,36,07,598
Past due 1-90 days	2,10,51,800	12.82%	26,98,440	No	1,83,53,359
Past due 91-180 days	94,37,334	31.44%	29,66,867	No	64,70,467
Past due 181-270 days	97,63,689	61.08%	59,63,299	No	38,00,390
Past due 271-365 days	1,03,63,799	100.00%	1,03,63,799	Yes	-
Above 365 days	90,72,214	100.00%	90,72,213	Yes	-
	11,49,31,010		3,26,99,195		8,22,31,814

As at 31 March 2019

(Amount in INR)

Particulars	Gross Carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not Due	7,95,76,021	2.47%	19,63,201	No	7,76,12,820
Past due 1-90 days	2,41,29,569	18.33%	44,22,451	No	1,97,07,118
Past due 91-180 days	99,45,000	31.62%	31,45,035	No	67,99,965
Past due 181-270 days	12,34,053	15.70%	1,93,803	No	10,40,250
Past due 271-365 days	45,07,741	100%	45,07,741	Yes	-
Above 365 days	1,64,80,111	100%	1,64,80,111	Yes	-
	13,58,72,496		3,07,12,342		10,51,60,154

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Financial risk management

Movement in allowance for impairment in respect of trade receivables
The movement in the allowance for impairment in respect of trade and other receivables during the year is as follows

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance as at the beginning of the year	3,07,12,342	4,17,69,031
Impairment loss recalculated after adopting Ind AS 115	-	-20,35,740
Impairment loss allowance recognised	19,86,854	(90,20,949)
Balance as at the end of the year	3,26,99,195	3,07,12,342

ii) Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually, the excess of funds is invested in fixed deposits. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

a) Financing arrangement

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payment and exclude netting arrangements.

As at 31 March 2020

(Amount in INR)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	16,83,99,507	16,83,99,507			
Trade payables	6,15,94,016	6,15,94,016	-	-	
Other financial liabilities	4,28,56,883	4,28,56,883	-	-	-

As at 31 March 2019

(Amount in INR)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	15,20,04,335	15,20,04,335			
Trade payables	8,63,36,421	8,63,36,421	-	-	-
Other financial liabilities	2,37,12,156	2,37,12,156	-	-	

The Company maintains the following line of credit

(i) Bank of Baroda -

The Company has taken Overdraft facilities having interest rates ranging from MCLR+ strategic premium (0.25%) ie 10% p.a. at present with monthly rest. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on cash margin on bank guarantee of BOB and collateral security that are presently charged with BOB and entire machinery, equipments, electrical installations, furniture & fixtures, office equipments, Raw Material, stores and spares, packing material, book debts both present and future, other movable property of the company and Corporate Gurantee by Holding Company(Quess Corp limited).

(ii) Yes Bank -

The Company has taken bill Cashcredit from YES BANK having interest rate of 3 months MCLR and Working capital demand loan from YES BANK having interest rate of 1 month MCLR and Sales invoice financing from YES BANK having interest rate of 1 month MCLR. Bank Gurantee facilities from YES Bank having pricing 0.70% p.a. payable upfront. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the certain current and movable fixed assets of the Company on both present and future and Corporate Gurantee by Holding Company(Quess Corp limited).

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currency of the Company. The Company is not exposed to significant currency risk as majority of the transactions are primarily denominated in Indian Rupees (₹) which is the national currency of India.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowing comprises of cash credit facilities & working capital loan which carries fixed rate of interest and unsecured loan from holding company Quess Corp Limited, which do not expose it to interest rate risk.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2020
Variable rate borrowings	-	-
Fixed rate borrowings	16,83,99,507	15,20,04,335
Total borrowings	16,83,99,507	15,20,04,335

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34 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non current borrowing, current borrowing, current maturities of long-term borrowings and current maturities of finance lease obligations less cash and cash equivalents.

The Company's policy is to keep the ratio below 2.50. The Company's adjusted net debt to equity ratio is as follows.

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Gross debt	16,83,99,507	15,20,04,335
Less: Cash and cash equivalents	1,15,73,023	1,80,65,010
Adjusted net debt	**15,68,26,484**	**13,39,39,325**
Total equity	(1,92,71,132)	(3,52,80,605)
Less: Effective portion of cash flow hedges and cost of hedging		
Equity	**(1,92,71,132)**	**(3,52,80,605)**
Net debt to equity ratio	**(8.14)**	**(3.80)**

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Notes to the financial statements for the year ended 31 March 2020

35 Capital commitments

The Company does not have any capital commitments

36 Contingent liabilities and commitments (to the extent not provided for)

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Employee State Insurance (refer note (i))	-	24,49,428
	-	24,49,428

(i) The company had disclosed a Contingent Liability in the previous year due to a pending resolution of proceedings against Employee State Insurance, further it was not practical for the Company to estimate the timings of cash outflow in respect of the above, as it was determinable only on receipt of judgements/decisions pending with various forums/authorities, the Judgement/Decision has been pronounced by the concerned authority and the same has been charged to the Statement of Profit and Loss, no further disclosure is warranted against the mentioned Contingent Liability

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect outcome of these proceedings to have a material adverse effect on its financial position.

37 Earnings per share

(Amount in INR except number of shares and per share data)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Nominal value of equity shares (amount per share)	10	10
Net profit after tax for the purpose of earnings per share	(7,75,67,464)	(2,23,30,791)
Weighted average number of shares used in computing basic earnings per share	7,83,014	7,80,000
Basic earnings per share	(99.06)	(28.63)
Weighted average number of shares used in computing diluted earnings per share	8,94,719	7,80,000
Diluted earnings per share	(86.69)	(28.63)

Computation of weighted average number of shares

(Amount in numbers)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Number of equity shares outstanding at beginning of the year	7,80,000	7,80,000
Add: Weighted average number of equity shares issued during the year	3,014	-
Weighted average number of shares outstanding at the end of year for computing basic earnings per share	7,83,014	7,80,000
Add: Impact of potentially dilutive equity shares	1,11,705	-
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	8,94,719	7,80,000

38 Related party disclosures

(i) Name of related parties and description of relationship: (Please select the entities from the list shared herewith)

- Holding Company	Quess Corp Limited
- Fellow subsidiaries, associates and joint venture	Refer note (i)
- Entities having common directors	Golden Star Facilities And Services Private Limited Terrier Security Services (India) Private Limited Vedang Cellular Services Private Limited Qdigi Services Limited Monster.com (India) Private Limited Simpliance Technologies Private Limited Excelus Learning Solutions Private Limited MFX Infotech Private Limited Dependo Logistics Solutions Private Limited Trimax Smart Infraprojects Private Limited

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Notes to the financial statements for the year ended 31 March 2020

(ii) List of subsidiaries (including step-subsidiaries), fellow subsidiaries, associates and joint venture

Name of the entity	Nature of relation	Country of domicile
Coachieve Solutions Private Limited*	Fellow subsidiary	India
MFX Infotech Private Limited	Fellow subsidiary	India
Aravon Services Private Limited*	Fellow subsidiary	India
Brainhunter Systems Ltd.	Fellow subsidiary	Canada
Mindwire Systems Ltd.	Fellow subsidiary	Canada
Quess (Philippines) Corp.	Fellow subsidiary	Philippines
Quess Corp (USA) Inc	Fellow subsidiary	USA
Quesscorp Holdings Pte Ltd	Fellow subsidiary	Singapore
Quess Corp Vietnam LLC	Fellow subsidiary	Vietnam
Quessglobal (Malaysia) SDN. BHD	Fellow subsidiary	Malaysia
Quess Corp Lanka (Private) Limited	Fellow subsidiary	Sri Lanka
Comtel Solutions Pte Ltd	Fellow subsidiary	Singapore
MFXchange Holdings Inc.	Fellow subsidiary	Canada
MFXchange US, Inc.	Fellow subsidiary	USA
MFX Chile SpA	Fellow subsidiary	Chile
Dependo Logistics Solutions Private Limited	Fellow subsidiary	India
CenterQ Business Solutions Private Limited*	Fellow subsidiary	India
Excelus Learning Solutions Private Limited	Fellow subsidiary	India
Conneqt Business Solution Limited	Fellow subsidiary	India
Vedang Cellular Services Private Limited	Fellow subsidiary	India
Master Staffing Solutions Private Limited*	Fellow subsidiary	India
Golden Star Facilities and Services Private Limited	Fellow subsidiary	India
Comtelpro Pte. Limited.	Fellow subsidiary	Singapore
Comtelink Sdn Bhd	Fellow subsidiary	Malaysia
Monster.com (India) Private Limited	Fellow subsidiary	India
Monster.com SG PTE Limited	Fellow subsidiary	Singapore
Monster.com HK Limited	Fellow subsidiary	Hong Kong
Agensi Pekerjaan Monster Malaysia SDN. BHD.	Fellow subsidiary	Malaysia
Quesscorp Management Consultancies	Fellow subsidiary	Dubai, UAE
Quesscorp Manpower Supply Services LLC	Fellow subsidiary	Dubai, UAE
Qdigi Services Limited	Fellow subsidiary	India
Simpliance Technologies Private Limited	Fellow subsidiary	India
Allsec Technologies Limited	Fellow subsidiary	India
Allsectech Inc., USA	Fellow subsidiary	USA
Allsectech Manila Inc., Philippiness	Fellow subsidiary	Philippines
Retreat Capital Management Inc., USA	Fellow subsidiary	USA
Trimax Smart Infraprojects Private Limited	Fellow subsidiary	India
Quess Corp Services Limited	Fellow subsidiary	Bangladesh
Terrier Security Services (India) Private Limited	Associate of holding company	India
Heptagon Technologies Private Limited	Associate of holding company	India
Quess East Bengal FC Private Limited	Associate of holding company	India
Quess Recruit, Inc.	Associate of holding company	Philippines
Agency Pekerjaan Quess Recruit SDN. BHD	Associate of holding company	Malaysia
Himmer Industrial Services (M) SDN. BHD	Joint venture of holding company	Malaysia

* Merged w.e.f 1 April 2019 pursuant to approval from the Regional Director South East Region, MCA

(iii) Related party transactions

(Amount in INR)

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations			
	Quess Corp Limited	-	2,86,755
Finance costs			
- Interest expense	Quess Corp Limited	34,78,217	28,45,050
Loans taken from related parties			
	Quess Corp Limited	6,50,00,000	4,50,00,000
	Aravon Services Private Limited*	3,00,00,000	-
Remuneration to directors	Sunil De Souza	-	56,00,000
Rent for office premises	Sunil De Sousa	-	12,11,680
Reimbursement for Expenses			
	Sunil De Sousa	-	1,19,921

* Merged w.e.f 1 April 2019 pursuant to approval from the Regional Director, South East Region, MCA, hence loan is transferred to Quess Corp Limited

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Notes to the financial statements for the year ended 31 March 2020

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in INR)

Particulars		As at 31 March 2020	As at 31 March 2019
Current borrowings			
	Quess Corp Limited	6,00,00,000	4,50,00,000
	Sunil De Sousa	-	4,16,302
	Greenpiece Projects Private Limited	-	67,74,177
Current loans			
	Greenpiece Projects Private Limited	-	3,32,477
Other financials liabilities (interest payable)			
	Quess Corp Limited	2,45,262	25,60,545
	Aravon Services Private Limited*	8,16,207	-

(v) Compensation of key managerial personnel*

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and other employee benefits to whole-time directors and executive officers	-	56,00,000
Others if any, specify nature	-	-
	-	**56,00,000**

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences and employee share-based payment since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

39 Leases

Operating Leases

The Company has taken on lease offices and residential premises under operating leases. The leases typically run for a period of one to ten years, with an option to renew the lease after that period. Lease payments are renegotiated at the time of renewal.

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Total rental expense relating to operating lease		
- Non-cancellable	64,85,355	64,48,120
- Cancellable	-	-
	64,85,355	64,48,120

40 Assets and liabilities relating to employee benefits

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Net defined benefit liability, gratuity plan	46,30,301	68,26,207
Total employee benefit liability	**46,30,301**	**68,26,207**
Current [refer note 23]	5,39,959	34,81,265
Non-current [refer note 19]	40,90,342	33,44,942
	46,30,301	**68,26,207**

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For details about employee benefit expenses, see note 28

The Company operates the following post-employment defined benefit plans.
The Company has a defined benefit gratuity plan in India (Plan A), governed by the Payment of Gratuity Act, 1972. Plan A entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of 15 days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

The Company also provides certain post-employment medical cost benefits to employees of some of the Related party entities outside India (Plan B). Plan B reimburses certain medical costs for retired employees.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A Funding

The Company's gratuity scheme for core employees is administered through a trust with the Aditya Birla Sunlife Insurance Company. The funding requirements are based on the gratuity funds actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purpose for which assumptions are same as set out below. Employees do not contribute to the plan.

The Company has determined that, in accordance with the terms and conditions of gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations.

B Reconciliation of net defined benefit liability/ asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its components:

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year		
Current service cost	71,11,443	83,74,394
Interest cost	15,31,556	16,22,012
Past service cost	5,35,918	4,97,946
Benefit settled		
Actuarial (gains)/ losses recognised in other comprehensive income	(16,33,860)	(35,05,540)
- Changes in experience adjustments		
- Changes in demographic assumptions	(18,93,037)	-
- Changes in financial assumptions	4,25,250	1,22,631
Obligation at the end of the year	(7,84,835)	-
	52,92,435	**71,11,443**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value		
Additions through business combination	2,85,236	24,54,835
Interest income on plan assets	-	-
Remeasurement- actuarial gain/(loss)	21,495	90,395
Return on plan assets recognised in other comprehensive income	-	-
Contributions	(10,737)	2,45,546
Benefits settled	20,00,000	10,00,000
Plan assets as at the end of the year	(16,33,860)	(35,05,540)
Net defined benefit liability	**6,62,134**	**2,85,236**
	46,30,301	**68,26,207**

C i) Expense recognised in statement of profit or loss

(Amount in INR)

Particulars	31 March 2019	31 March 2018
Current service cost	**31 March 2020**	**31 March 2019**
Interest cost	15,31,556	16,22,012
Past service cost	5,35,918	4,97,946
Interest income	-	-
Net gratuity cost	(21,495)	(90,395)
	20,45,979	**20,29,563**

ii) Re-measurement recognised in other comprehensive income

(Amount in INR)

Particulars	31 March 2019	31 March 2018
Remeasurement of the net defined benefit liability	**31 March 2020**	**31 March 2019**
Remeasurement of the net defined benefit asset	(22,52,622)	(6,20,491)
	10,737	1,22,631
	(22,41,885)	**(4,97,860)**

Greenpiece Landscapes India Pvt. Ltd.
Bangalore

D Plan assets

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Funds managed by insurer	6,62,134	2,85,236
	6,62,134	**2,85,236**

E Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	6.55%	7.52%
Future salary growth	6.00%	10.00%
Attrition rate	7.00%	19.00%
Rate of return on planned asset	0.00%	7.52%
Average duration of defined benefit obligation (in years)	9.00	38.88

F Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Core employees

(Amount in INR)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-8.40%	9.70%	-	-
Future salary growth (1% movement)	9.70%	-8.60%	-	-
Attrition rate (1% movement)	-0.60%	0.10%	-	-

Associate employees

(Amount in INR)

Particulars	As at 31 March 2020		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-8.00%	9.30%	-6.13%	6.71%
Future salary growth (1% movement)	9.20%	-8.10%	6.04%	-5.73%
Attrition rate (1% movement)	-3.50%	3.30%	-1.70%	1.70%

41 Revenue from Contracts with customers

(i) Disaggregation of revenue

The Company provides Landscaping and Soft scaping services across India to various customers.

(ii) Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

(Amount in INR)

Particulars	As at 31 March 2020	As at 1 April 2019
Receivables, which are included in 'Trade and other receivables'	8,22,31,814	10,51,60,154
Contract assets	6,01,60,050	5,56,16,104

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2020

(Amount in INR)

Particulars	For the year ended 31 March 2020
Balance at the beginning of the reporting period	5,56,16,104
Add : Revenue recognized during the reporting period	22,88,14,851
Less : Invoiced during the reporting period	22,42,70,905
Balance at the end of the reporting period	**6,01,60,050**

Greenpiece Landscapes India Pvt. Ltd.
Bangalore

Greenpiece Landscapes India Private Limited
Notes to the financial statements for the year ended 31 March 2020
(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for (i) contracts with an original expected duration of one year or less and (ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

42 Note on merger in the financial statements
i Background
Greenpiece Projects Private Limited ("The Company") was incorporated on 03 January 2008 as a Private Limited Company (CIN: U36103KA2014PTC077612) under the Companies Act, 2013 with the principle business of providing Landscape & Softscape.

ii Scheme of arrangement (SCHEME)
a The Board of Directors of the Company, in the meeting held on 05 May 2017 had approved the Scheme of Arrangement ('the Scheme') whereby Greenpiece Projects Private Limited was proposed to be merged with the Company, the transferee company. The appointed date of the Scheme was 01 January 2018 and was subject to the approval of the majority of the shareholders and creditors of GLIPL and GPPL, the Honorable National Company Law Tribunal Bangalore Bench and permission and approval of any other statutory or regulatory authorities, as applicable.

Subsequent to the various statutory approvals, the Honorable National Company Law Tribunal Bangalore Bench vide its order dated 25 April 2019 has approved the Scheme.
b Pursuant to the Scheme, the shareholders of GPPL are eligible to receive 1 equity shares of GLIPL of face value of ₹ 10 each fully paid up for 1 equity shares held in GPPL of face value of ₹ 10 each fully paid up ('Swap ratio'), with record date as fixed by the Board of Directors of the Company.

In accordance with the Scheme, all the assets and liabilities of GPPL have been transferred to GLIPL with effect from the Appointed Date at the respective carrying values in the financial statements of GPPL. In accordance with the Pooling of Interests Method outlined in AS-14 "Accounting for Amalgamations" prescribed by Companies (Accounting Standard) Rules, 2006, the surplus of the net assets acquired over the consideration issued in GPPL has been credited to Capital Reserve determined as follows.

	(Amount in ₹)
NON-CURRENT ASSETS	-
Current Assets	
- Advance receivable	69,04,051
Total	69,04,051
NON-CURRENT LIABILITIES	-
CURRENT LIABILITIES	-
Total	-
Net value of assets transferred pursuant to Scheme of Arrangement	69,04,051
Less:	
Purchase Consideration - 20,000 Shares face value Rs 10 each	2,00,000
Purchase Consideration - 20,000 Shares face value Rs 10 each	
Surplus credited to Capital Reserve	67,04,051

43 Scheme of Amalgamation
The Board of Directors of the Company had in its meeting held on 18th February 2020, approved the Scheme of amalgamation ("Scheme") of Greenpiece Landscapes India Private Limited known as ("Transferor") with Quess Corp Limited ("Transferee Company"). Upon the scheme become effective, the Transferor Company stands dissolved, and all the assets and liabilities of the Transferor Company will be recorded at their carrying values in the Transferee Company. The scheme is yet to be filed with regulatory authorities which was delayed due to lockdown all over the country on account of COVID-19. The scheme of amalgamation shall be subject to receipt of necessary approvals of shareholders and creditors and other regulatory authorities as may be required.

44 In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

45 Dues to micro, small and medium enterprises
The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2020 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

46 Previous year's figures have been regrouped/reclassified, wherever necessary to conform to those of current year classification.

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for N S Shastri & Co.,
Chartered Accountants
Firm's Registration No.: 015093S

N S Shastri
Partner
Membership No.: 037676

Place: Bengaluru
Date: 30 April 2020

N.S. SHASTRI & CO ★ BANGALORE ★ CHARTERED ACCOUNTANTS

for and on behalf of the Board of Directors of
Greenpiece Landscapes India Private Limited

Chidambaran Anand Sundar Raj
Director
DIN: 07971482

Place: Bengaluru
Date: 30 April 2020

Subramanian Ramakrishnan
Director
DIN: 03522114

Place: Bengaluru
Date: 30 April 2020

Greenpiece Landscapes India Pvt. Ltd. ★ Bangalore

SRIRAMULU NAIDU & CO.
Chartered Accountants

G-8 "H" Block, "Golden Orchid Apartments"
Kasturba Road, Bangalore - 560 001
Phone : 080-4124 6474, 4853 0807
E-mail : contactddca@gmail.com

Independent Auditor's Report

To the Members of M/s. Golden Star Facilities and Services Private Limited

Report on the Audit of the Ind As Financial Statements

Opinion

We have audited the Ind AS financial statements of M/s. Golden Star Facilities and Services 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 statement of cash flows and statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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 there under, 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.

SRIRAMULU NAIDU & CO., BANGALORE, Chartered Accountants

Key Audit Matters:

The Board of Directors of the Company had in its meeting held on 18th February 2020, approved the Scheme of amalgamation ("Scheme") of Golden Star Facilities and Services Private Limited known as ("Transferor") with Quess Corp Limited ("Transferee Company"). Upon the scheme become effective, the Transferor Company stands dissolved, and all the assets and liabilities of the Transferor Company will be recorded at their carrying values in the Transferee Company. The scheme is yet to be filed with regulatory authorities which was delayed due to lockdown all over the country on account of COVID-19. The scheme of amalgamation shall be subject to receipt of necessary approvals of shareholders and creditors and other regulatory authorities as may be required.

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 the information included in the Annual 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.

Responsibility of Management for Financial Statements

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

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 Standards on Auditing, 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.

SRIRAMULU NAIDU & Co., BANGALORE * Chartered Accountants *

- 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 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, Statement of Changes in Equity and statement of cash flow dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March 2020 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

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 A". Our report expressed an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial reporting.

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, as amended:
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 Auditors) Rules, 2014 as amended in our opinion and to the best of our information and according to the explanations given to us:

i. Company does not have any pending litigations which would impact its financial position;

ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order.

For **Sriramulu Naidu & Co**
Chartered Accountants
FRN : 008975S

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

CA.S.Deenadayal
Partner
Membership No: 205194
UDIN: 20205194AAAAGC8703

Place: Bangalore
Date: 6th May 2020

Annexure – A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Golden Star Facilities and Services 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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.

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

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 includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

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 **Sriramulu Naidu & Co**
Chartered Accountants
FRN: 008975S

CA.S.Deenadayal
Partner
Membership No: 205194
UDIN: 20205194AAAAGC8703

Place: Bangalore
Date :06th May 2020

Annexure - B

Annexure to the Independent Auditor's report of even date to the Members of Golden Star Facilities and Services Private Limited, on the Financial Statements for the year ended 31st March 2020.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a). The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b). The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c). According to the information and explanation given to us and on the basis of our examination of the records of the Company, Company does not having any immovable property. Accordingly, the provisions of clause 3(i)(c) of the order is not applicable.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification/ material discrepancies noticed on physical verification have been properly dealt with in the books of account.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable.

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the order are not applicable.

(vii)(a).The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b).There are no dues in respect of income-tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution, banks, government, or debenture holders during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.

(x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. Accordingly, paragraph 3(x) of the order is not applicable.

(xi) In our opinion and according to the information and explanation given to us, Company has paid/provided managerial remuneration in accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.

SRIRAMULU NAIDU & Co. BANGALORE Chartered Accountants

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly paragraph 3(xiv) of the order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Sriramulu Naidu & Co**
Chartered Accountants
FRN : 008975S

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

CA.S.Deenadayal
Partner
Membership No: 205194
UDIN: 20205194AAAAGC8703

Place: Bangalore
Date:6^{th} May 2020

Golden Star Facilities And Services Private Limited

(Amount in Rs)

Balance Sheet	**Note**	**As at 31 March 2020**	**As at 31 March 2019**
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,14,20,951	3,14,22,980
Financial assets			
(i) Non current loans	4	58,30,470	51,82,135
(ii) Other non-current financial assets	5	4,61,200	63,37,935
Deferred tax assets (net)	6	5,76,78,263	4,41,02,360
Income tax assets (net)	6	8,79,57,655	5,29,34,740
Other non-current assets	7	-	57,45,885
Total non-current assets		**18,33,48,539**	**14,57,26,035**
Current assets			
Inventories	8	49,00,236	73,07,907
Financial assets			
(i) Trade and other receivables	9	47,48,75,024	28,97,68,786
(ii) Cash and cash equivalents	10	25,41,944	2,39,123
(iii) Bank balances other than cash and cash equivalent above	11	58,76,735	-
(iv) Current loans	12	9,11,930	5,16,166
(v) Unbilled revenue	13	17,28,16,847	20,76,30,657
Other current financial assets	14	6,60,446	2,20,884
Other current assets	15	1,30,16,171	1,02,89,440
Total current assets		**67,55,99,333**	**51,59,72,963**
Total Assets		**85,89,47,872**	**66,16,98,998**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,00,00,000	1,00,00,000
Instruments entirely equity in nature	17	7,22,30,000	-
Other equity	18	20,78,08,616	17,82,44,222
Total equity		**29,00,38,616**	**18,82,44,222**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other non-current liabilities	19	37,63,708	-
Non-current provisions	20	2,77,10,518	2,45,29,964
Total non-current liabilities		**3,14,74,226**	**2,45,29,964**
Current liabilities			
Financial liabilities			
(i) Current borrowings	21	24,56,11,519	21,44,07,472
(ii) Trade and payables	22	2,27,44,854	1,47,50,858
(iii) Other current financial liabilities	23	20,95,51,107	21,32,37,688
Other current liabilities	24	5,95,27,550	65,28,794
Total current liabilities		**53,74,35,030**	**44,89,24,812**
Total Liabilities		**56,89,09,256**	**47,34,54,776**
Total Equity and Liabilities		**85,89,47,872**	**66,16,98,998**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Sriramulu Naidu & Co.**
Chartered Accountants
Firm registration number: 008975S

for and on behalf of Board of Directors of
Golden Star Facilities And Services Private Limited

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

S Deenadayal
Partner
Membership No. : 205194

Anita Verghese
Managing Director
DIN: 01933949

Srinivasan Guruprasad
Director
DIN: 07596207

Place: Bengaluru
Date: 6-May-2020

Golden Star Facilities And Services Private Limited

(Amount in Rs)

Statement of Profit and loss	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	25	2,42,62,50,967	2,16,94,53,881
Other income	26	12,58,303	4,74,139
Total Income		**2,42,75,09,270**	**2,16,99,28,020**
Expenses			
Cost of materials, stores and spare parts consumed	27	7,00,57,943	6,15,64,772
Employee benefits expenses	28	2,01,36,57,754	1,78,89,10,734
Finance costs	29	3,04,42,727	2,25,78,717
Depreciation expenses	30	2,23,10,883	1,50,08,964
Other expenses	31	26,50,61,867	27,06,44,621
Total expenses		**2,40,15,31,174**	**2,15,87,07,808**
Profit before income tax		**2,59,78,096**	**1,12,20,212**
Tax expense			
Current tax	6	-	45,80,891
Minimum alternate tax credit utilization / (entitlement)		-	(40,96,919)
Income tax for earlier years	6	57,45,884	-
Deferred tax expense for earlier periods	6	42,01,015	-
Deferred tax	6	(1,67,08,773)	(39,74,533)
Total tax expenses		**(67,61,874)**	**(34,90,561)**
Profit for the year		**3,27,39,970**	**1,47,10,773**
Other comprehensive (income)/expense			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset		42,43,721	(25,90,573)
Income tax relating to items that will not be reclassed to profit or loss		(10,68,145)	7,20,697
Other comprehensive (income) / expense for the year, net of income tax		**31,75,576**	**(18,69,876)**
Total comprehensive income for the period		**2,95,64,394**	**1,65,80,649**
Earnings per equity share (face value of Rs 10 each)			
Basic	36	32.74	14.71
Diluted	36	31.55	14.71

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Sriramulu Naidu & Co.**
Chartered Accountants
Firm registration number: 008975S

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Golden Star Facilities And Services Private Limited

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

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Managing Director
DIN: 01933949

Srinivasan Guruprasad
Director
DIN: 07596207

Place: Bengaluru
Date: 6-May-2020

Golden Star Facilities And Services Private Limited

		(Amount in Rs)
Statement of Cash Flows	**For the year ended**	
	31 March 2020	**31 March 2019**
Cash flow from operating activities		
Profit before tax	2,59,78,096	1,12,20,212
Adjustments for:		
Depreciation expense	2,23,10,883	1,50,08,964
Financial Guarantee income	(10,438)	(1,67,083)
Loss/(Profit) on sale of fixed assets, net	(5,264)	-
Bad debts written off	36,50,783	35,98,781
Impairment loss allowance on financial assets, net	1,92,45,517	60,89,922
Interest income	(12,42,601)	(2,49,924)
Finance costs	3,04,42,727	2,25,78,717
Operating cash flows before working capital changes	**10,03,69,703**	**5,80,79,589**
Working capital adjustments:		
Changes in:		
Inventories	24,07,671	(14,91,601)
Trade receivables and security deposits	(20,86,40,436)	(9,05,74,773)
Other current, non-current, unbilled revenue and financial assets	3,69,97,638	(6,40,20,051)
Trade payables and other financial liabilities	6,10,69,879	6,87,55,371
Other liabilities and provisions	(10,63,166)	(5,35,234)
Cash generated from operating activities	**(88,58,711)**	**(2,97,86,698)**
Income taxes paid, net of refund	(4,07,68,799)	(3,62,55,289)
Net cash (used in) / provided by operating activities (A)	**(4,96,27,510)**	**(6,60,41,987)**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(2,25,28,721)	(1,92,99,194)
Proceeds from sale of fixed assets	2,25,131	-
Interest income on term deposits and others	12,42,601	2,49,924
Net cash (used in) / provided by investing activities (B)	**(2,10,60,989)**	**(1,90,49,270)**
Cash flows from financing activities		
Finance cost paid	4,17,87,273	(2,08,28,717)
Short-term borrowings, net of repayments	3,12,04,047	9,73,78,977
Net cash (used in) / provided by financing activities (C)	**7,29,91,320**	**7,65,50,260**
Net increase in cash and cash equivalents (A+B+C)	23,02,821	(85,40,996)
Cash and cash equivalents at the beginning of the year	2,39,123	87,80,119
Cash and cash equivalents at the end of the period (refer note 10)	**25,41,944**	**2,39,123**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Sriramulu Naidu & Co.**
Chartered Accountants
Firm registration number: 008975S

for and on behalf of Board of Directors of
Golden Star Facilities And Services Private Limited

SRIRAMULU NAIDU & CO., BANGALORE, Chartered Accountants

S Deenadayal
Partner
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Anita Verghese
Managing Director
DIN: 01933949

Srinivasan Guruprasad
Director
DIN: 07596207

Place: Bengaluru
Date: 6-May-2020

Golden Star Facilities And Services Private Limited
Statement of Changes in Equity for the year ended 31 March 2020

(A) Equity share capital

(Amount in Rs)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
Opening balance	16	1,00,00,000	1,00,00,000
Changes in equity share capital	16	-	-
Closing balance		**1,00,00,000**	**1,00,00,000**

(B) Other equity

(Amount in Rs)

Particulars	Note	Reserves and surplus		Other items of other comprehensive Income	Total equity attributable to equity holders of the Company
		Retained earnings	Other Reserves	Remeasurement of the net defined benefit liability/asset	
Balance as of 1 April 2018		**15,45,11,951**	**15,00,000**	**39,01,622**	**15,99,13,573**
Add: Profit for the Period		1,47,10,773	-	-	1,47,10,773
Add: Fair value of financial guarantee received	18	-	17,50,000	-	17,50,000
Add: Other comprehensive income (net of tax)	18	-	-	18,69,876	18,69,876
Balance as of 31 March 2019		**16,92,22,724**	**32,50,000**	**57,71,498**	**17,82,44,222**
Balance as of 1 April 2019		**16,92,22,724**	**32,50,000**	**57,71,498**	**17,82,44,222**
Add: Profit for the Period		3,27,39,970	-	-	3,27,39,970
Add: Fair value of financial guarantee received	18	-	-	-	-
Add: Other comprehensive income (net of tax)	18	-	-	(31,75,576)	(31,75,576)
Balance as of 31 March 2020		**20,19,62,694**	**32,50,000**	**25,95,922**	**20,78,08,616**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Sriramulu Naidu & Co.**
Chartered Accountants
Firm registration number: 008975S

for and on behalf of Board of Directors of
Golden Star Facilities And Services Private Limited

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

S Deenadayal
Partner
Membership No. : 205194

Anita Verghese
Managing Director
DIN: 01933949

Srinivasan Guruprasad
Director
DIN: 07596207

Place: Bengaluru
Date: 6-May-2020

Golden Star Facilities And Services Private Limited
Notes to the financial statements for the year ended 31 March 2020

1. Company overview
Golden Star Facilities And Services Private Limited ("the Company") is incorporated on 14 March 2008 under the provisions of Companies Act 1956. The Registered office of the company is located in Hyderabad. The company is engaged in the business of providing Facility management services.

2. Significant accounting policies
This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

2.1 Basis of preparation

Statement of compliance
These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act') and the relevant rules thereunder. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Ind AS financial statements are presented in Indian Rupees ("INR") which is also the Company's functional currency and all amounts have been rounded off to the nearest lakhs, unless otherwise stated.

Basis of measurement
The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following:

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations ("DBO").

2.2 Use of estimates and judgement

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Contingent liability: Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

ii) Income taxes: Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Availability of future taxable profits against which deferred tax amount can be used.

iii) Measurement of defined benefit obligations: Key actuarial assumptions used for actuarial valuation.

iv) Impairment of financial assets: The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments.

v) Property, plant and equipment: Useful life of asset.

vi) Other estimates: The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.3 Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.4 Property, plant and equipment
Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.

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Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Subsequent expenditures relating to property, plant and equipment is capitalized 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. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. 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.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method ('SLM') over estimated useful life of the fixed assets estimated by the Management. The management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets is different from the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/ sold during the year is proportionately charged. The Company estimated the useful lives for fixed assets as follows:

Asset Category	Estimated useful life
Computer equipment	3 years
Vehicles	3 years
Plant and machinery	3 years
Furniture and fixtures	5 years
Office equipment	5 years

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/losses.

Advance 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 the assets not put to use before such date are disclosed under 'Capital work-in-progress'

Impairment of property, plant and equipment

Property, plant and equipment 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.5 Leases

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

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2.6 Revenue

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

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Revenue from time and material contracts are recognised as the services are performed and as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Refer Note 41 for disclosure related to revenue from contracts with customers.

Policy in case of Unbilled revenue and unearned revenue
Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Policy in case of Contract modifications
Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Policy in case of variable consideration
The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Policy in case of warranties
The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of service delivery costs.

Policy in case of cost of obtaining a contract
Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term.

Policy in case of cost of fulfilling a contract
The Company recognizes contract fulfilmentcost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

Policy in case of significant financing component
The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

Policy in case of Principal vs agent
The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

2.7 Other income
Other income mostly comprises interest income on deposits, dividend income and gain/ (losses) on disposal of financial assets and non-financial assets. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

2.8 Financial instruments

a) Recognition and initial measurement
Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement Financial assets
On initial recognition, a financial asset is classified and measured at:

- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair Value through profit and loss (FVTPL)

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Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI- equity investment). This election is made on an investment-to-investmentbasis. All financial assets not classified as amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mistake that would otherwise arise.
Financial assets: Subsequent measurement and gains and losses

Financial assets, at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

c) Impairment of financial assets

The Company assess on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

d) Derecognition of financial assets

A financial asset is derecognised only when:
- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

Financial liabilities

a) Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost.
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.

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

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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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging 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 recognised in OCI. These gains/ losses 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. The Company has not designated any financial liability as at fair value through profit and loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (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.

Financial guarantee contracts

Financials gurantee contracts issued by the holding company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make the payment when due in accordance with the terms of a debt instrument. Fair value of cost of availing the financial gurantee is recognized initially as an asset giving corresponding affect to a component in other equity. The asset so recognized is amortised to the statement of profit and loss over the period of such gurantee availed.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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 or loss.

2.9 Employee benefit

(a) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of remeasurements of the net defined liability or asset through other comprehensive income.

Remeasurement of the net defined liability or asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

The Company's gratuity scheme is administered through a trust with the State Bank of India and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

b) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

c) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

d) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

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Notes to the financial statements for the year ended 31 March 2020

2.10 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

2.11 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

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 as on the balance sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below. Deferrèd 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. Deferred tax is not recognised for :

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.
- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profits may not be available. Therefore, in case of history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.12 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with the contract.

2.13 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.14 Cash and cash equivalents

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

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Notes to the financial statements for the year ended 31 March 2020

2.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.16 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. The company does not have potential dilutive equity shares outstanding during the period.

2.17 Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, the Company is engaged in the business of providing facility management services and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The Company caters to the needs of only the Indian market. Accordingly, there are no reportable secondary geographical segments.

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Notes to the financial statements for the year ended 31 March 2020

3. Property, plant and equipment

(Amount in Rs)

Particulars	Computer equipment	Plant & Machinery	Office equipment	Furniture & fixtures	Vehicles	ROU Building	Total
Gross carrying amount as at 1 April 2017	**26,57,809**	**2,08,17,654**	**12,09,829**	**20,645**	**20,20,512**		**2,67,26,449**
Additions during the year	14,34,225	2,08,23,095	3,41,510	8,22,315	4,20,922		2,38,42,067
Disposals for the year	-	21,40,270	-	-	-		21,40,270
Balance as at 31 March 2018	**40,92,034**	**3,95,00,479**	**15,51,339**	**8,42,960**	**24,41,434**		**4,84,28,246**
Additions during the year	3,98,348	1,86,91,895	1,85,943	23,008	-		1,92,99,194
Disposals for the year *	-	-	-	-	-		-
Balance as at 31 March 2019	**44,90,382**	**5,81,92,374**	**17,37,282**	**8,65,968**	**24,41,434**		**6,77,27,440**
Additions during the year	2,72,381	78,17,848	-	-	-	1,44,38,492	2,25,28,721
Disposals for the year *	40,616	12,98,889	-	-	-	-	13,39,505
Balance as at 31 March 2020	**47,22,147**	**6,47,11,333**	**17,37,282**	**8,65,968**	**24,41,434**	**1,44,38,492**	**8,89,16,656**

Particulars	Computer equipment	Plant & Machinery	Office equipment	Furniture & fixtures	Vehicles	ROU Building	Total
Accumulated depreciation as at 1 April 2017	**9,57,255**	**97,90,160**	**3,41,080**	**10,002**	**13,60,592**		**1,24,59,089**
Depreciation for the year	8,86,129	92,56,189	3,00,162	1,40,004	3,94,193		1,09,76,677
Accumulated depreciation on deletions	-	21,40,270	-	-	-		21,40,270
Balance as at 31 March 2018	**18,43,384**	**1,69,06,079**	**6,41,242**	**1,50,006**	**17,54,785**		**2,12,95,496**
Depreciation for the year	12,06,035	1,29,42,312	2,75,796	2,20,761	3,64,061		1,50,08,964
Accumulated depreciation on deletions	-	-	-	-	-		-
Balance as at 31 March 2019	**30,49,419**	**2,98,48,391**	**9,17,038**	**3,70,767**	**21,18,846**		**3,63,04,460**
Depreciation for the year	9,62,423	1,50,07,968	2,96,187	2,23,897	2,16,973	56,03,434	2,23,10,883
Accumulated depreciation on deletions	25,485	10,94,153	-	-	-	-	11,19,638
Balance as at 31 March 2020	**39,86,357**	**4,37,62,206**	**12,13,225**	**5,94,664**	**23,35,819**	**56,03,434**	**5,74,95,705**

Net carrying amount:	Computer equipment	Plant & Machinery	Office equipment	Furniture & fixtures	Vehicles	ROU Building	Total
As at 31 March 2020	**7,35,790**	**2,09,49,127**	**5,24,057**	**2,71,304**	**1,05,615**	**88,35,058**	**3,14,20,951**
As at 31 March 2019	**14,40,963**	**2,83,43,984**	**8,20,244**	**4,95,201**	**3,22,588**	**-**	**3,14,22,980**
As at 31 March 2018	**22,48,650**	**2,25,94,400**	**9,10,097**	**6,92,954**	**6,86,649**	**-**	**2,71,32,750**

There has been no impairment losses recognised during the year or previous year.

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Notes to the financial statements for the year ended 31 March 2020

4 Non-current loans

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Security deposits	58,30,470	51,82,135
	58,30,470	**51,82,135**

5 Other non-current financial assets

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Bank deposits (due to mature after 12 months from the reporting date)	4,61,200	63,37,935
	4,61,200	**63,37,935**

6 Taxes

A Amount recognized in profit or loss

(Amount in Rs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current income tax:		
In respect of the current period	-	45,80,891
In respect of the prior period	-	-
Minimum alternate tax credit utilization / (entitlement)	-	(40,96,919)
Tax relating to earlier years	57,45,884	-
Deferred tax:		
Attributable to:		
Deferred tax expense for earlier periods	42,01,015	-
Origination and reversal of temporary differences	(1,67,08,773)	(39,74,533)
Income tax expense reported in the Statement of profit and loss	**(67,61,874)**	**(34,90,561)**

B Income tax recognized in other comprehensive income

(Amount in Rs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of the net defined benefit liability/ asset		
Before tax	42,43,721	(25,90,573)
Tax expense/(benefit)	(10,68,145)	7,20,697
Net of tax	**31,75,576**	**(18,69,876)**

C Reconciliation of effective tax rate

(Amount in Rs)

Particulars	For the year ended 31 March 2020		31 March 2019	
Profit before tax		2,59,78,096		1,12,20,212
Tax using the Company's domestic tax rate	25.17%	65,38,687	20.58%	23,09,120
Effect of:				
Difference in enacted tax rate	16.17%	42,01,015	(67.62%)	(75,86,717)
Non-deductible expenses	1.16%	3,02,066	15.93%	17,87,036
80JJA Tax incentives	-90.65%	(2,35,49,526)		-
Effective tax rate	**(48.15%)**	**(1,25,07,758)**	**(31.11%)**	**(34,90,561)**
Add: Provisions relating to earlier years	22.12%	57,45,884	0.00%	-
Income tax expense reported in the Statement of profit and loss	**(26.03%)**	**(67,61,874)**	**(31.11%)**	**(34,90,561)**

D The following table provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019

Non-current tax assets (net)

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets	12,61,78,654	9,11,55,739
Income tax liabilities	(3,82,20,999)	(3,82,20,999)
Net income tax asset at the end of the year	**8,79,57,655**	**5,29,34,740**

E Deferred tax assets, net

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset:		
Provision on employee benefits- Gratuity	69,74,735	68,24,234
Impairment loss allowance on financial assets	1,11,30,496	69,48,257
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	73,68,466	60,39,080
Defered Tax - Leases 116	2,23,697	-
Deferred Tax others	3,19,80,869	2,42,90,789
Net deferred tax assets	**5,76,78,263**	**4,41,02,360**

The movement of deferred tax aggregating to Rs (1,35,75,903) for the year ended 31 March 2020 (31 March 2019: Rs (32,53,835)) comprises of Rs (1,67,08,773) of current year deferred tax income and Rs. 42,01,015 of deferred tax expenses of earlier periods and (31 March 2019: Rs (39,74,533)) charged to Statment of profit and loss and Rs. (10,68,145) {31 March 2019: Rs 7,20,697} charged to other comprehensive income.

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F Recognized deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in Rs)

For the year ended 31 March 2020	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:				
Provision for employee benefits	68,24,234	(9,17,644)	(10,68,145)	69,74,735
Impairment loss allowance on financial assets	69,48,257	41,82,239	-	1,11,30,496
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	60,39,080	13,29,386	-	73,68,466
Leases IndAs 116	-	2,23,697	-	2,23,697
Others	2,42,90,789	76,90,080	-	3,19,80,869
Gross deferred tax assets	**4,41,02,360**	**1,25,07,758**	**(10,68,145)**	**5,76,78,263**
Net deferred tax assets	**4,41,02,360**	**1,25,07,758**	**(10,68,145)**	**5,76,78,263**

(Amount in Rs)

For the year ended 31 March 2019	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:				
Provision for employee benefits	91,43,827	(15,98,895)	7,20,697	68,24,234
Impairment loss allowance on financial assets	62,44,226	7,04,031	-	69,48,257
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	49,02,965	11,36,115	-	60,39,080
Others	2,05,57,507	37,33,282	-	2,42,90,789
Gross deferred tax assets	**4,08,48,525**	**39,74,533**	**7,20,697**	**4,41,02,360**
Net deferred tax assets	**4,08,48,525**	**39,74,533**	**7,20,697**	**4,41,02,360**

7 Other non-current assets

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Minimum alternate tax credit entitlement	-	57,45,885
Prepaid expenses	-	-
	-	**57,45,885**

8 Inventories

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Valued at lower of cost and net realizable value		
Raw material and consumables	49,00,236	73,07,907
	49,00,236	**73,07,907**

9 Trade receivables

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Considered good	49,11,85,901	30,04,64,463
Considered doubtful	2,79,10,404	1,42,80,087
Loss allowance [refer note 33(i)]	-	
Unsecured considered good	(1,63,10,877)	(1,06,95,677)
Doubtful	(2,79,10,404)	(1,42,80,087)
Net trade receivables	**47,48,75,024**	**28,97,68,786**

All trade receivables are current.

Of the above, trade receivables from related parties are as below:

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables from related parties	35,67,977	11,24,240
Less: loss allowance	(93,067)	(67,602)
Net trade receivables	**34,74,910**	**10,56,638**

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 33.

10 Cash and cash equivalents

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
Cash in hand	1,58,595	7,897
Balances with banks		
In current accounts	21,66,249	2,31,226
In deposit accounts (with orginal maturity of less than 3 months)	2,17,100	-
Cash and cash equivalents in the statement of cash flow	**25,41,944**	**2,39,123**

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11 Bank balances other than cash and cash equivalent above

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
In deposit accounts (Due to mature within 12 months from the reporting date)	58,76,735	
	58,76,735	**-**

12 Current Loans

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Security deposits	6,51,853	1,00,000
Advances to employees	2,60,077	4,16,166
	9,11,930	**5,16,166**

13 Unbilled revenue

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unbilled revenue	17,28,16,847	20,76,30,657
	17,28,16,847	**20,76,30,657**

14 Other current financial assets

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Interest accrued but not due	6,60,446	2,20,884
	6,60,446	**2,20,884**

15 Other current assets

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advances other than capital advances		
Other advances	59,94,340	37,65,762
Prepaid expenses	70,21,831	65,23,678
	1,30,16,171	**1,02,89,440**

16 Equity share capital

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorized		
10,00,000 (31 March 2019: 10,00,000) equity shares of par value of Rs 10 each	1,00,00,000	1,00,00,000
	1,00,00,000	**1,00,00,000**
Issued, subscribed and paid-up		
10,00,000 (31 March 2019: 10,00,000) equity shares of par value of Rs 10 each, fully paid up	1,00,00,000	1,00,00,000
	1,00,00,000	**1,00,00,000**

16.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

(Amount in Rs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in Rs	Number of shares	Amount in Rs
At the commencement of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Shares issued during the year	-	-	-	-
At the end of the year	**10,00,000**	**1,00,00,000**	**10,00,000**	**1,00,00,000**

16.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.3 Shares held by holding company

(Amount in Rs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in Rs	Number of shares	Amount in Rs
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	9,99,999	99,99,990	7,00,000	70,00,000
Ajit Isaac *(Nominee of Quess Corp Limited)*	1	10	-	-
	10,00,000	**1,00,00,000**	**7,00,000**	**70,00,000**

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

(Amount in Rs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% Held	Number of shares	% Held
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	10,00,000	100.00%	7,00,000	70.00%
Anita Verghese	-		3,00,000	30.00%
	10,00,000		**10,00,000**	

As per the records of the Company, including its register of members/shareholders, the above shareholding represents both legal and beneficial ownership of the shares.

17 Instruments entirely equity in nature

(a) Reconciliation of the number of compulsorily convertible debentures outstanding at the beginning and at the end of the reporting period

(Amount in Rs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of CCDs	Amount in Rs	Number of CCDs	Amount
Number of compulsorily convertible debentures (CCDs) outstanding at the beginning and end of the year	72,230	7,22,30,000	-	-

(b) The rights, preferences and restrictions attaching to compulsorily convertible debentures issued to Quess Corp Limited, holding company including restirctions if any :

The Company has one class of compulsorily convertible debentures of Rs 1,000 per CCD. These CCDs are unsecured and carry a discretionary coupon of 10% per annum. The CCDs shall have a tenure of 10 years from the date of issue. The holder of these CCDs shall have the right to convert any or all of the CCDs, any time during the tenure of CCDs. CCDs outstanding at the end of the tenure shall be automatically be converted into Equity shares of the Company.

(c) Particulars of compulsorily convertible debentures held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company:

Particulars	As at 31 March 2020	As at 31 March 2019
Quess Corp Limited	72,230	-

(d) CCD holders holding more than 5% of compulsorily convertible debentures along with the total number of CCDs held at the beginning and at the end of the reporting period is as given below

Particulars	As at 31 March 2020		As at 31 March 2019	
	% of Holding	Nos	% of Holding	Nos
Quess Corp Limited, holding company	100	72,230	-	-

18 Other Equity *

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Retained earnings	20,19,62,694	16,92,22,724
Other reserves	32,50,000	32,50,000
Other comprehensive income	25,95,922	57,71,498
	20,78,08,616	**17,82,44,222**

* For detailed movement of reserves refer statement of changes in equity.

18.1 Other comprehensive income

Remeasurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income).

19 Other non-current financial liabilities

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Lease liability (refer note 39 (ii))	37,63,708	-
	37,63,708	**-**

20 Non-current provisions

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefit		
Provision for gratuity (refer note 40)	2,77,10,518	2,45,29,964
	2,77,10,518	**2,45,29,964**

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Notes to the financial statements for the year ended 31 March 2020

21 Current borrowings

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Loans from bank repayable on demand		
Secured		
Cash credit and overdraft facilities (refer note 21.1 & 21.2)	24,56,11,519	21,44,07,472
	24,56,11,519	**21,44,07,472**

Information about the Company's exposure to interest rate and liquidity risk is included in note 33.

21.1 During the year, working limits of IDFC First Bank are taken over by HDFC Bank. The company has working capital limits of Rs. 24,00,00,000 (31 March 2019: Rs 24,00,00,000) at interest rate of various facilities from 8.75% p.a. - 8.90% p.a. The HDFC Bank has paripassu charge on the current assets and unencumbered moveable fixed assets of the company along with Kotak Mahindra Bank. Further it is backed by corporate guarantee of holding company, Quess Corp Limited.

21.2 The company has working capital limits of Rs 11,00,00,000 (31 March 2019: Rs. 11,00,00,000) with Kotak Mahindra Bank Limited at interest rate of various facilities from 8.65% p.a. - 9.00 % p.a. The Kotak Mahindra Bank has paripassu charge on the current assets and unencumbered moveable fixed assets of the company along with HDFC Bank. Further it is backed by corporate guarantee of holding company, Quess Corp Limited.

22 Trade payables

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Dues to micro, small and medium enterprises (refer note 43)	-	-
Trade payables to related parties (refer note 38 (iii))	58,48,134	(15,85,341)
Other trade payables	1,68,96,720	1,63,36,199
	2,27,44,854	**1,47,50,858**

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 33.

23 Other current financial liabilities

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of finance lease obligations		
Amount payable to related parties	-	-
Capital creditors	74,052	11,21,462
Lease liability (refer note 39 (ii))	59,60,094	-
Other payables		
Accrued salaries and benefits	16,71,12,627	16,03,68,429
Provision for expenses	3,64,04,334	5,17,47,797
	20,95,51,107	**21,32,37,688**

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 33.

24 Other current liabilities

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances payable to government authorities	5,95,27,550	65,28,794
	5,95,27,550	**65,28,794**

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25 Revenue from operations

(Amount in Rs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Facility management services	2,42,62,50,967	2,16,94,53,881
	2,42,62,50,967	**2,16,94,53,881**

26 Other income

(Amount in Rs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Interest income under the effective interest method on:		
Deposits with Banks	4,96,247	2,49,924
Interest income on present valuation of financial instruments	10,438	1,67,083
Interest on tax refunds due	7,46,354	-
Profit on sale of property, plant and equipment and intangible assets	5,264	-
Miscellaneous income	-	57,132
	12,58,303	**4,74,139**

27 Cost of material and stores and spare parts consumed

(Amount in Rs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Inventory at the beginning of the year	73,07,907	58,16,306
Add: purchases during the year	6,76,50,272	6,30,56,373
Less: Inventory at the end of the year	49,00,236	73,07,907
Cost of materials, stores and spare parts consumed	**7,00,57,943**	**6,15,64,772**

28 Employee benefits expenses

(Amount in Rs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Salaries and wages	1,78,61,92,452	1,58,02,67,446
Contribution to provident and other funds	20,26,49,229	18,75,05,484
Expenses related to post-employment defined benefit plan	53,73,207	52,38,491
Staff welfare expenses	1,94,42,866	1,58,99,313
	2,01,36,57,754	**1,78,89,10,734**

29 Finance costs

(Amount in Rs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Interest expense on financial liabilites measured at amortised cost	3,00,76,059	2,03,98,885
Other borrowing costs	3,66,668	21,79,832
	3,04,42,727	**2,25,78,717**

30 Depreciation expenses

(Amount in Rs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Depreciation of property, plant and equipment (refer note 3)	2,23,10,883	1,50,08,964
	2,23,10,883	**1,50,08,964**

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31 Other expenses

(Amount in Rs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sub-contractor charges	7,22,83,166	4,69,62,964
Recruitment and training expenses	15,00,475	7,31,240
Rent (refer note 39)	23,47,176	73,72,912
Power and fuel	13,78,494	12,64,806
Repairs & maintenance	-	
- plant and machinery	33,36,028	30,02,216
- others	48,52,644	50,53,653
Legal and professional fees (refer note 31.1)	4,27,90,371	9,56,75,900
Rates and taxes	31,00,471	8,72,711
Printing and stationery	18,41,787	20,40,299
Stores and tools consumed	8,79,98,326	7,83,80,211
Travelling and conveyance	40,35,893	44,61,491
Communication expenses	23,73,344	28,99,819
Insurance	69,38,763	47,90,039
Bad debts written off	36,50,783	35,98,781
Bank charges	4,21,132	2,34,821
Impairment loss allowance on financial assets, net [refer note 33(i)]	1,92,45,517	60,89,922
Business promotion and advertisement expenses	44,87,209	48,29,140
CSR contributions [refer note 31.2]	8,40,025	8,25,000
Miscellaneous expenses	16,40,263	15,58,696
	26,50,61,867	**27,06,44,621**

31.1 Payment to auditors (net of goods and services tax included in legal and professional fees)

(Amount in Rs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit	4,00,000	4,00,000
Limited review	1,20,000	1,20,000
Tax audit fee	50,000	50,000
	5,70,000	**5,70,000**

31.2 Details of CSR expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility ("CSR") activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds required to be spent and funds spent during the year with respect to the Group are explained below:

(Amount in Rs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Gross amount required to be spent by the Company during the year	8,31,557	8,22,948
b) Amount spent during the year		
i) Construction or acquisition of any asset		-
ii) On purpose other than i) above	8,40,025	8,25,000

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Golden Star Facilities And Services Private Limited
Notes to the financial statements for the year ended 31 March 2020

32 Financial instruments - fair value and risk management
Accounting classification and fair values
The carrying value and fair value of financial instruments by categories as at 31 March 2020 and 31 March 2019 is as follows:

Fair value hierarchy
The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:
a) recognized and measured at fair value
b) measured at amortized cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(Amount in Rs)

Particulars	Carrying value	Fair Value		
	31 March 2020	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Non current financials assets	4,61,200	-	-	-
Loans	67,42,400	-	-	-
Trade receivables	47,48,75,024	-	-	-
Cash and cash equivalents	25,41,944	-	-	-
Unbilled revenue	17,28,16,847	-	-	-
Other non-current assets	-			
Total financial assets	**65,74,37,415**	-	-	-
Financial liabilities measured at amortised cost				
Lease Liability	37,63,708		-	
Loans and borrowings	24,56,11,519	-	-	-
Trade payables	2,27,44,854	-	-	-
Other current financial liabilities	20,95,51,107	-	-	-
Total financial liabilities	**48,16,71,188**	-	-	-

(Amount in Rs)

Particulars	Carrying value	Fair Value		
	31 March 2019	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Non current financials assets	63,37,935	-	-	-
Loans	56,98,301	-	-	-
Trade receivables	28,97,68,786	-	-	-
Cash and cash equivalents	2,39,123	-	-	-
Unbilled revenue	20,76,30,657	-	-	-
Other non-current assets	57,45,885			
Total financial assets	**51,54,20,687**	-	-	-
Financial liabilities measured at amortised cost				
Lease Liability	-		-	
Loans and borrowings	21,44,07,472	-	-	-
Trade payables	1,47,50,858	-	-	-
Other current financial liabilities	21,32,37,688	-	-	-
Total financial liabilities	**44,23,96,018**	-	-	-

Fair value hierarchy
Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price. The non-convertible debentures is classified under Level 1 being quoted debentures.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference shares included in level 3.

Fair valuation method
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. The following methods and assumptions were used to estimate the fair values:

A Financial Assets:
Fair value of these assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B Financial Liabilities:
1 Loans and borrowings: It includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the loan is reset on a monthly/quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

2 Trade payables and other liabilities: Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

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33 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by Internal Auditors Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However the management also considers the factors that may influence the credit risk of its customer base The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three Months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 31 March 2020 and as at 31 March 2019 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 270 days past due. Loss rates are based on actual credit loss experience over the last six quarters. These rates have been adjusted to reflect the management's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:

As at 31 March 2020

(Amount in Rs)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	30,98,11,818	0.24%	7,28,839	No	30,90,82,979
Past due 1–90 days	14,93,72,604	3.52%	52,54,788	No	14,41,17,816
Past due 91–180 days	2,42,99,507	24.50%	59,52,911	No	1,83,46,596
Past due 181–270 days	77,01,972	56.80%	43,74,339	No	33,27,633
Past due 271–360 days	2,79,10,404	100.00%	2,79,10,404	Yes	-
	51,90,96,305		**4,42,21,281**		**47,48,75,024**

As at 31 March 2019

(Amount in Rs)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	13,09,97,855	0.22%	2,85,585	No	13,07,12,270
Past due 1–90 days	15,41,31,633	3.31%	50,95,169	No	14,90,36,464
Past due 91–180 days	97,05,224	23.14%	22,45,640	No	74,59,584
Past due 181–270 days	56,29,750	54.52%	30,69,283	No	25,60,467
Past due 271–360 days	1,42,80,087	100.00%	1,42,80,087	Yes	-
	31,47,44,550		**2,49,75,764**		**28,97,68,786**

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Movement in allowance for impairment in respect of trade receivables.
The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance as at the beginning of the year	**2,49,75,764**	**1,88,85,843**
Impairment loss recognized	1,92,45,517	60,89,922
Balance as at the end of the year	**4,42,21,281**	**2,49,75,764**

ii) **Liquidity risk**

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually, the excess of funds is invested in fixed deposits. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

i) Financing arrangement

The Company maintains the following line of credit:

a. During the year, working limits of IDFC First Bank are taken over by HDFC Bank. The company has working capital limits of Rs. 24,00,00,000 (31 March 2019: Rs 24,00,00,000) at interest rate of various facilities from 8.75% p.a. - 8.90% p.a. The HDFC Bank has paripassu charge on the current assets and unencumbered moveable fixed assets of the company along with Kotak Mahindra Bank. Further it is backed by corporate guarantee of holding company, Quess

b. The company has working capital limits of Rs 11,00,00,000 (31 March 2019: Rs. 11,00,00,000) with Kotak Mahindra Bank Limited at interest rate of various facilities from 8.65% p.a. - 9.00 % p.a. The Kotak Mahindra Bank has paripassu charge on the current assets and unencumbered moveable fixed assets of the company along with HDFC Bank. Further it is backed by corporate guarantee of holding company, Quess Corp Limited.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payments and excludes netting arrangements:

As at 31 March 2020

(Amount in Rs)

Particulars	Contractual cash flow				
	Carrying Amount	**0-1 years**	**1-2 years**	**2-5 years**	**5 years and above**
Borrowings	24,56,11,519	24,56,11,519	-	-	
Trade payables	2,27,44,854	2,27,44,854	-	-	
Other financial liabilities	20,95,51,107	20,95,51,107	-	-	

As at 31 March 2019

(Amount in Rs)

Particulars	Contractual cash flow				
	Carrying Amount	**0-1 years**	**1-2 years**	**2-5 years**	**5 years and above**
Borrowings	21,44,07,472	21,44,07,472	-	-	
Trade payables	1,47,50,858	1,47,50,858	-	-	
Other financial liabilities	21,32,37,688	21,32,37,688	-	-	

iii) **Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Company is not exposed to significant currency risk as the revenue and expenses are denominated only in INR.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The borrowing comprises of cash credit facilities & working capital loan which carries fixed rate of interest and unsecured loan from holding company Quess Corp Limited , which do not expose it to interest rate risk.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	-	-
Fixed rate borrowings	24,56,11,519	21,44,07,472
Total borrowings	**24,56,11,519**	**21,44,07,472**

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34 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing and current borrowing, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the effective portion of cash flow hedges and cost of hedging.

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio were as follows:

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Total External liabilities	24,56,11,519	21,44,07,472
Less: Cash and cash equivalent	25,41,944	2,39,123
Adjusted net debt (total borrowings net of cash and cash equivalent)	**24,30,69,575**	**21,41,68,349**
Total equity	29,00,38,616	18,82,44,222
Net debt (Total external liabilities) to equity ratio	**0.84**	**1.14**

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35 Contingent liabilities and commitment (to the extent not provided for)

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Bank guarantees issued against performance of contract	2,68,81,418	1,37,54,459
	2,68,81,418	**1,37,54,459**

36 Earnings per share

(Amount in Rs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Nominal value of equity shares (Rs per share)	10	10
Net profit after tax for the purpose of earnings per share	3,27,39,970	1,47,10,773
Weighted average number of shares used in computing basic earnings per share	10,00,000	10,00,000
Basic earnings per share (Rs)	**32.74**	**14.71**
Weighted average number of shares used in computing diluted earnings per share	10,37,584	10,00,000
Diluted earnings per share (Rs)	**31.55**	**14.71**

37 Segment reporting

The Chief Executive Officer and 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's performance and allocates resources based on an analysis of various performance indicators by service offerings. Accordingly, the Company is engaged in the business of providing facility management services and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The Company caters to the needs of only the Indian market. Accordingly, there are no reportable secondary geographical segments.

38 Related party disclosures

(i) Name of related parties and description of relationship:

- Ultimate Holding Company: Fairfax Financial Holdings Limited

- Holding Company: Quess Corp Limited

- Fellow Subsidiaries:

Aravon Services Private Limited[1]
CentreQ Business Services Private Limited[1]
Coachieve Solutions Private Limited[1]
Conneqt Business Solutions Limited (fka: Tata Business Support Services Limited)
Dependo Logistics Solutions Private Limited
Excelus Learning Solutions Private Limited
Greenpiece Landscapes India Private Limited
Master Staffing Solutions Private Limited[1]
MFX Infotech Private Limited
Monster.com (India) Private Limited
Qdigi Services Limited (fka: HCL Computing Products)
Vedang Cellular Services Private Limited
Brainhunter Companies LLC
Brainhunter Systems Ltd.
Comtel Solutions Pte. Limited
Comtelink Sdn. Bhd.
Comtelpro Pte. Limited
MFX Chile SpA
MFXchange Holdings Inc.
MFXchange US Inc.
Mindwire Systems Limited
Monster.com.HK Limited
Monster.com.SG PTE Limited
Quess Corp (USA) Inc.
Quess Corp Holdings Pte Ltd
Quess Corp Vietnam LLC
Quess Lanka (Private) Limited [(fka: Randstad Lanka (Private) Limited)]
Quess Philippines Corp.
Quessglobal Malaysia Sdn. Bhd.
Simpliance Technologies Private Limited
Agensi Pekerjaan Monster Malaysia SDN. BHD.
Quesscorp Management Consultancies
Quesscorp Manpower Supply Services LLC
Allsec Technologies Limited
Allsectech Inc., USA
Allsectech Manila Inc., Philippiness

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	Retreat Capital Management Inc., USA
	Trimax Smart Infraprojects Private Limited
	Quess Corp Services Limited
	Trimax Smart Infraprojects Private Limited

1. Merged w.e.f 1 April 2019 pursuant to approval from the Regional Direcor, South East Region, MCA.

- Associates of the holding company	Terrier Security Services (India) Private Limited
	Heptagon Technologies Private Limited
	Quess East Bengal FC Private Limited
	Quess Recruit, Inc.
	Agency Pekerjaan Quess Recruit SDN. BHD.
- Joint Venture of a fellow subsidiary	Himmer Industrial Services (M) Sdn. Bhd.
- Entity having common directors	Master Staffing Solutions Private Limited[1]
- Entity having common directors of holding company	Net Resource Investments Private Limited
	Isaac Enterprises Private limited
	Go Digit Infoworks Service Private Limited
	Go Digit General Insurance Limited
- Entities in which key managerial personnel of holding company has significant influence	Careworks foundation

Key management personnel

Ajit Isaac	Chairman & Managing Director *of Quess Corp Limited*
Subrata Kumar Nag	Whole time Director and Chief Executive Officer (up to 31-Mar-2020) *of Quess Corp Limited*
Suraj Moraje	Executive Director & Group CEO (from 1-Apr-2020) *of Quess Corp Limited*
Anita Verghese	Managing Director *of Golden Star Facilities & Services Pvt Ltd*
Subramanian Ramakrishnan	Group Chief Financial Officer *of Quess Corp Limited*

(ii) Related party transactions during the year

(Amount in Rs)

Particulars		For the year ended	
		31 March 2020	31 March 2019
- Revenue from operations	Quess Corp Limited	75,86,276	56,69,805
- Other expenses	Terrier Security Services (India) Private Limited	4,25,95,041	1,15,11,842
	Quess Corp Limited	3,13,17,637	8,50,00,000
- Loans given by holding company	Quess Corp Limited	10,84,00,000	10,00,00,000
- Repayment/Adjustment of loans given by holding company	Quess Corp Limited	10,84,00,000	12,90,00,000
- Finance costs	Quess Corp Limited	26,24,499	18,54,495
- Issue of Compulsory Convertible Debentures	Quess Corp Limited	7,22,30,000	-
- Corporate Guarantee given to bank by the holding Company	Quess Corp Limited	-	35,00,00,000

SRIRAMULU NAIDU & Co., BANGALORE, Chartered Accountants

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in Rs)

Particulars		As at 31 March 2020	As at 31 March 2019
- Trade payables	Terrier Security Services (India) Private Limited	58,48,134	(15,85,341)
- Trade receivables (gross of loss allowance)	Quess Corp Limited	35,67,977	11,24,240
- Provision for expenses	Terrier Security Services (India) Private Limited	26,22,116	96,22,269
	Quess Corp Limited	70,00,000	2,00,00,000

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

(iv) Compensation of key managerial personnel*

(Amount in Rs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Anita Verghese	59,51,612	58,62,072
	59,51,612	**58,62,072**

* Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

39 Leases

i) Operating Leases

The Company has taken operating leases for offices under cancellable lease agreements that are renewable on periodic basis at the option of both lessor and lessee. The total rent expense debited to the statement of profit and loss for the current year.

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Payable within 1 year	-	-
Payable between 1-5 years	-	-

(Amount in Rs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Total rental expense relating to operating lease	**23,47,176**	**73,72,912**
- Non-cancellable	-	-
- Cancellable		
Rent	82,31,452	71,59,557
Add: Rent Amortisation IndAs	9,116	2,13,355
Less: Leases - IndAs 116	(58,93,392)	-
Rent cost to Profit and Loss Statement	**23,47,176**	**73,72,912**

ii) Lease liability

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current lease liability	59,60,094	-
Non-current lease liability	37,63,708	-
Total	**97,23,802**	-

The following is the movement in lease liabilities *(Amount in Rs)*

Particulars	As at 31 March 2020	As at 31 March 2019
Operating lease recognised on adoption of Ind AS 116	1,44,38,492	-
period	11,78,702	-
Less: Payment of lease obligation	(58,93,392)	-
Carrying amount as at 31 March 2020	**97,23,802**	-

SRIRAMULU NAIDU & Co. BANGALORE Chartered Accountants

Amount recognised in PL

(Amount in Rs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense (included in finance cost)	11,78,702	-
Expenses relating to short-term lease (included in other expenses)	(58,93,392)	-
assets that are not included above	56,03,434	-
	8,88,744	-

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2020 on an undiscounted basis:

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Less than one year	59,60,094	-
One to five years	37,63,708	-
More than five years	-	-
	97,23,802	-

40 Assets and liabilities relating to employee benefits

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Net defined benefit liability, gratuity plan	2,77,10,518	2,45,29,964
Liability for compensated absences	-	-
Total employee benefit liability	**2,77,10,518**	**2,45,29,964**
Non-current	2,77,10,518	2,45,29,964

The Company does not have any assets relating to employee benefits. For details about the related employee benefit expenses, see note 28.

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act,1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A Funding

The Company's gratuity scheme for employees is administered through a trust with the Life Insurance Corporation of India. The funding requirements are based on the gratuity funds actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purpose for which assumptions are same as set out below. Employees do not contribute to the plan.

The Company has determined that, in accordance with the terms and conditions of gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations

B Reconciliation of net defined benefit liability/asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

(Amount in Rs)

Particulars	For the year ended 31 March 2020	31 March 2019
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	2,84,79,964	2,76,55,771
Current service cost	43,63,725	40,12,549
Interest cost	12,66,232	12,25,942
Past service cost	-	-
Benefit settled	(5,18,374)	(18,23,725)
Actuarial (gains)/ losses recognised in other comprehensive income	-	
- Changes in experience adjustments	36,62,193	(26,05,829)
- Changes in demographic assumptions	(7,053)	-
- Changes in financial assumptions	4,55,756	15,256
Obligation at end of the year	**3,77,02,443**	**2,84,79,964**
Reconciliation of present value of plan assets		
Plan assets at beginning of the year, at fair value	39,50,000	-
Interest income on plan assets	2,56,750	-
Re-measurement- actuarial gain/(loss)	(1,32,825)	-
Return on plan assets recognised in other comprehensive income	-	-
Contributions	59,18,000	39,50,000
Benefits settled	-	-
Plan assets at end of year, at fair value	**99,91,925**	**39,50,000**
Net defined benefit liability	**2,77,10,518**	**2,45,29,964**

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C (i) Expense recognised in profit or loss

(Amount in Rs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Current service cost	43,63,725	40,12,549
Interest cost	12,66,232	12,25,942
Interest income	(2,56,750)	-
Net gratuity cost	**53,73,207**	**52,38,491**

(ii) Remeasurements recognised in other comprehensive income

(Amount in Rs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Actuarial (gains) /losses on defined benefit obligation	41,10,896	(25,90,573)
Return on plan assets excluding interest income	1,32,825	-
	42,43,721	**(25,90,573)**

D Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended	
	31 March 2020	31 March 2019
Discount rate	4.88%	6.50%
Future salary growth	5.00%	6.00%
Attrition rate	70.00%	70.00%

E Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

(Amount in Rs)

Particulars	As at			
	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	3,72,85,489	3,81,31,718	2,81,83,429	2,87,93,443
Future salary growth (1% movement)	3,79,46,559	3,74,60,731	2,86,29,947	2,83,31,773

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41 Revenue from Contracts with customers

(i) Disaggregation of revenue

The Company is providing facility managment services accross India to various customers.

(ii) Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables'	47,48,75,024	28,97,68,786
Contract assets	17,28,16,847	20,76,30,657

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2020

(Amount in Rs.)

Particulars	For the year ended 31 March 2020
Balance at the beginning	20,76,30,657
Add : Revenue recognized during the period	2,42,62,50,967
Less : Invoiced during the period	2,46,10,64,777
Less : Impairment / (reversal) during the period	-
Add : Translation gain/(Loss)	-
Balance at the end	17,28,16,847

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for (i) contracts with an original expected duration of one year or less and (ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

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42 In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

43 **Dues to micro, small and medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2020 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year;		
The amount of interest paid by the Group in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

44 **Scheme of Amalgamation**

The Board of Directors of the Company had in its meeting held on 18th February 2020, approved the Scheme of amalgamation ("Scheme") of Golden Star Facilities and Services Private Limited known as ("Transferor") with Quess Corp Limited ("Transferee Company"). Upon the scheme become effective, the Transferor Company stands dissolved, and all the assets and liabilities of the Transferor Company will be recorded at their carrying values in the Transferee Company. The scheme is yet to be filed with regulatory authorities which was delayed due to lockdown all over the country on account of COVID-19. The scheme of amalgamation shall be subject to receipt of necessary approvals of shareholders and creditors and other regulatory authorities as may be required.

45 Previous year's figures have been regrouped/reclassified, wherever necessary to conform to those of current year classification.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Sriramulu Naidu & Co.**
Chartered Accountants
Firm registration number: 008975S

SRIRAMULU NAIDU & Co. BANGALORE Chartered Accountants

S Deenadayal
Partner
Membership No.: 205194

Place: Bengaluru
Date: 6-May-2020

for and on behalf of Board of Directors of
Golden Star Facilities and Services Private Limited

Anita Verghese
Managing Director
DIN: 01933949

Srinivasan Guruprasad
Director
DIN: 07596207

INDEPENDENT AUDITOR'S REPORT

To,
The Members
MFX Infotech Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **MFX Infotech Private Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2020**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report.

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

Vasan & Sampath LLP (LLPIN: AAJ-7762)

VASAN & SAMPATH
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

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.

Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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.

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- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

2) As required by Section 143 (3) of the Act, we report that;
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   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 standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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"; and

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

      i. The Company does not have any pending litigations which would impact its financial position

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership number: 205703
UDIN: 20205703AAAABA6172

Place: Bengaluru
Date: 4th May, 2020

ANNEXURE - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MFX Infotech Private Limited of even date)

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

b. The company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified at reasonable intervals. In our opinion, the periodicity is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification;

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties as at March 31, 2020;

ii. The Company's operations does not involve inventory. Consequently, comment on clause (ii) of the Order is not applicable;

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Consequently, comment on clause (iii) of the Order is not applicable;

iv. The Company has not given any loans, investments, guarantees, and security covered by provisions of Section 185 and 186 of the Act. Consequently, comment on clause (iv) of the Order is not applicable;

v. The Company has not accepted any deposits from the public. Consequently, comment on clause (v) of the order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Consequently, comment on clause (vi) of the order is not applicable;

vii. According to the information and explanations given to us and on the basis of our examination of the records of the Company:

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing material undisputed statutory dues including provident fund, employee state insurance, income-tax, goods and service tax, cess and other statutory dues, during the year with the appropriate authorities, except certain dues of Professional Tax remittances where registrations are under process.

b) As explained to us, the Company did not have any undisputed amounts outstanding as at last day of the financial year for a period of more than six months from the date they became payable, except Professional tax of INR 6.6 lakhs.

c) According to the information and explanations given to us, there are no material dues of provident fund, employee state insurance, income-tax, goods and service tax, cess which have not been deposited with the appropriate authorities on account of any dispute.

viii. The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders;

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Consequently, comment on clause (ix) of the Order is not applicable;

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;

xi. In our opinion and according to the information and explanations given to us the provisions of section 197 are not applicable to a private company. Accordingly, paragraph 3(xi) of the order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Consequently, comment on clause (xii) of the Order is not applicable;

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has converted outstanding loan from its holding company, into Compulsory Convertible Debentures during the year. This Issue has been in compliance with Section 42 of Companies Act, 2013 and the amount raised has been used for the purpose for which it was raised;

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Consequently, comment on clause (xv) of the Order is not applicable;

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Consequently, comment on clause (xvi) of the Order is not applicable.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

VASAN & SAMPATH LLP
BANGALORE INDIA
CHARTERED ACCOUNTANTS

Unnikrishnan Menon
Partner
Membership number: 205703
UDIN: 20205703AAAABA6172

Place: Bengaluru
Date: 4th May, 2020

ANNEXURE B - to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MFX Infotech Private Limited of even date)

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 **MFX Infotech Private Limited** ("the Company") as of **March 31, 2020** in conjunction with our audit of the standalone Ind AS 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 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 standalone 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 March 31, 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 **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

Unnikrishnan Menon
Partner
Membership number: 205703
UDIN: 20205703AAAABA6172

Place: Bengaluru
Date: 4th May, 2020.

(Amounts in INR)

MFX Infotech Private Limited

(Wholly Owned Subsidiary of Quess corp Limited)

Balance Sheet as at	Note	31 Mar 2020	31 Mar 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,36,79,399	64,92,490
Other intangible assets	4	57,29,500	-
Financial assets			
(ii) Non-current loans	5	1,22,87,163	1,11,31,564
Deferred tax assets (net)	6	2,31,03,762	62,64,358
Income tax assets (net)	6	3,02,94,796	2,18,14,462
Other non-current assets	7	18,25,060	21,25,063
Total non-current assets		**10,69,19,681**	**4,78,27,937**
Current assets			
Financial assets			
(ii) Trade receivables	8	23,30,12,995	29,68,78,265
(iii) Cash and cash equivalents	9	4,25,02,989	4,46,27,109
(iv) Bank balances other than cash and cash equivalents above	10	5,00,000	-
(v) Current loans	11	15,000	-
(vi) Unbilled revenue	12	6,51,85,865	3,72,47,317
Other current assets	13	43,30,422	3,46,38,186
Total current assets		**34,55,47,271**	**41,33,90,876**
Total assets		**45,24,66,953**	**46,12,18,813**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,00,00,000	1,00,00,000
Other equity instruments	15	12,06,12,000	-
Other equity	16	2,54,07,926	7,82,49,049
Total equity attributable to equity holders of the Company		**15,60,19,926**	**8,82,49,049**
Non-controlling interests		-	-
Total equity		**15,60,19,926**	**8,82,49,049**
Liabilities			
Non-current liabilities			
Financial liabilities			
(ii) Other non-current financial liabilities	17	1,16,06,122	-
Non-current provisions	18	2,44,13,720	1,67,68,334
Total non current liabilities		**3,60,19,842**	**1,67,68,334**
Current liabilities			
Financial liabilities			
(i) Borrowings	19	4,76,68,950	16,98,08,407
(ii) Trade payables	20	10,26,54,480	12,04,24,951
(iii) Other current financial liabilities	21	9,26,77,096	5,53,16,359
Current provisions	22	45,16,940	22,87,708
Other current liabilities	23	1,29,09,719	83,64,005
Total current liabilities		**26,04,27,185**	**35,62,01,430**
Total Liabilities		**29,64,47,027**	**37,29,69,764**
Total Equity and Liabilities		**45,24,66,953**	**46,12,18,813**

The notes referred to above form an integral part of the financial statements

As per our report of even dated attached

for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 4 May 2020

for and on behalf of Board of Directors of
MFX Infotech Private Limited

Kundan Kumar Lal
Additional Director
DIN: 06446995

Place: Bengaluru
Date: 4 May 2020

Subramanian Ramakrishnan
Director
DIN: 03522144

Place: Bengaluru
Date: 4 May 2020

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

MFX Infotech Pvt. Ltd. Bangalore

(Amounts in INR)

MFX Infotech Private Limited

Statement of profit and loss	Note	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Income			
Revenue from operations	24	65,39,81,857	50,10,94,667
Other income	25	1,85,64,720	1,27,08,839
Total income		**67,25,46,577**	**51,38,03,506**
Expenses			
Cost of material and stores and spare parts consumed	26	49,58,448	17,78,155
Employee benefit expenses	27	64,03,82,047	34,36,78,723
Finance costs	28	98,94,754	1,17,57,352
Depreciation and amortisation expense	29	1,91,47,299	51,23,489
Other expenses	30	6,63,55,501	14,62,76,002
Total expenses		**74,07,38,049**	**50,86,13,721**
Profit before share of profit of equity accounted investees and income t		**(6,81,91,472)**	**51,89,785**
Share of profit of equity accounted investees (net of income tax)		-	-
Profit before tax		**(6,81,91,472)**	**51,89,785**
Tax expense			
Current tax		-	(31,30,385)
Adjustments of tax relating to earlier periods		-	4,10,419
Deferred tax		1,64,64,639	19,48,415
Income tax expenses		**1,64,64,639**	**(7,71,551)**
Profit for the year		**(5,17,26,834)**	**44,18,233**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(14,89,055)	40,37,252
Income tax relating to items that will not be reclassified to profit or loss		3,74,765	(11,23,164)
Total comprehensive income for the period		**(5,28,41,123)**	**73,32,322**
Earnings Per Equity Share (face value of Rs. 10 each)			
Basic		(51.73)	4.42
Diluted		(36.70)	4.42

The notes referred to above form an integral part of the financial statements
As per our report of even dated attached

for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 04 May 2020

for and on behalf of Board of Directors of
MFX Infotech Private Limited

Kundan Kumar La
Additional Director
DIN: 06446995

Place: Bengaluru
Date: 04 May 2020

Subramanian Ramakrishnan
Director
DIN: 03522114

Place: Bengaluru
Date: 04 May 2020

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MFX Infotech Private Limited
Statement of Changes in Equity for the year ended 31 March 2020

(Amount in Rs.)

Particulars	Share Capital	Other Equity			Total Equity attributable to Equity holders of the Company
		Retained Earnings	Other Items of Other	Other Reserves	
Balance as of 1 April 2018	1,00,00,000	7,00,29,349	(1,62,622)	10,50,000	**8,09,16,727**
Add: Profit for the Period	-	44,18,234	-		**44,18,234**
Less: Re-measurement gains / (losses) on defined benefit plans	-	-	29,14,088	-	**29,14,088**
Balance as of 31 March 2019	**1,00,00,000**	**7,44,47,583**	**27,51,466**	**10,50,000**	**8,82,49,049**

Balance as of April 1, 2019	1,00,00,000	7,44,47,583	27,51,466	10,50,000	**8,82,49,049**
Add: Profit for the Period	-	(5,17,26,834)	-	-	**(5,17,26,834)**
Less: Re-measurement gains / (losses) on defined benefit plans	-	-	(11,14,290)	-	**(11,14,290)**
Balance as of 31 March 2020	**1,00,00,000**	**2,27,20,749**	**16,37,177**	**10,50,000**	**3,54,07,926**

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

***for* Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 04 May 2020

for and on behalf of Board of Directors of
MFX Infotech Private Limited

Kundan Kumar Lal	**Subramanian Ramakrishnan**
Additional Director	**Director**
DIN: 06446995	DIN: 03522114
Place: Bengaluru	Place: Bengaluru
Date: 04 May 2020	Date: 04 May 2020

MFX Infotech Private Limited

Statement of Cash Flows	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
Profit before tax	(6,81,91,472)	51,89,785
Adjustments for:		
Depreciation and amortisation expenses	1,91,47,299	51,23,489
Unrealised Foreign Exchange Loss/(Gain)	(1,38,91,083)	73,75,376
Finance costs	98,94,754	1,17,57,352
Impairment loss allowance on financial asset, net	48,97,980	6,17,116
Re-measurement of the net defined benefit liability/asset (net of tax	(11,14,290)	-
Operating cash flows before working capital changes	**(4,92,56,811)**	**3,00,63,118**
Working capital adjustments		
Changes in inventories and trade receivables	7,54,02,710	(4,80,62,586)
Changes in loans, other financial assets and other assets	(1,53,27,155)	(2,29,63,992)
Changes in trade payables and other financial liabilities	39,95,485	8,26,96,579
Changes in other liabilities and provisions	1,44,20,332	6,32,603
Cash generated from operating activities	**2,92,34,562**	**4,23,65,722**
Income tax paid, net	84,80,334	(1,16,72,035)
Net cash (used in) / provided by operating activities (A)	**3,77,14,896**	**3,06,93,687**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(1,06,76,027)	(34,47,292)
Net cash used in by investing activities (B)	**(1,06,76,027)**	**(34,47,292)**
Cash flows from financing activities		
Proceeds from Debenture	68,19,143	-
Proceeds from borrowings	(1,14,00,600)	57,62,191
Lease liablity Paid_IND As 116	(1,75,11,444)	-
Finance cost paid	(65,70,088)	(1,17,57,352)
Net cash used in by financing activities (C)	**(2,86,62,989)**	**(59,95,162)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(16,24,120)	2,12,51,233
Cash and cash equivalents at the beginning of the year	**4,46,27,109**	**2,33,75,875**
Cash and cash equivalents at the end of the year (refer note 9)	**4,30,02,990**	**4,46,27,109**

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 04 May 2020

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

for and on behalf of Board of Directors of
MFX Infotech Private Limited

MFX Infotech Pvt. Ltd. Bangalore

Kundan Kumar Lal	**Subramanian Ramakrishnan**
Additional Director	**Director**
DIN: 06446995	DIN: 03522114
Place: Bengaluru	Place: Bengaluru
Date: 04 May 2020	Date: 04 May 2020

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Company overview

MFX Infotech Private Limited, ('the Company') is a private limited company incorporated on 20th June 2014 and domiciled in India. The registered office of the Company is located in Bengaluru, India. The Company is engaged in the business of Software Support Services and Sale of licenses.

Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use

2. Basis of preparation

2.1 Statement of compliance

The company being a subsidiary company of M/s.Quess Corp Ltd., a company whose equity is listed in both Bombay Stock Exchange (BSE) & National Stock Exchange, (NSE). These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The Company's standalone Ind AS financial statements are approved for issue by the Company's Board of Directors on 4th May 2020.

The standalone Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.2 Basis of measurement and significant accounting policies

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

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO") and

iii. Contingent consideration in business combinations are measured at fair value.

2.3 Use of estimates and judgement

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is included in the following notes:

2.3 Use of estimates and judgement (continued)

i. ***Contingent liabilities:*** Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs (except, in the extremely rare circumstances where no reliable estimate can be made).

ii. ***Recognition of deferred tax assets***: The ultimate realization of deferred income tax assets is dependent upon the generation of future taxale income during the period in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities and the projected future taxable income in making this assessment.

iii. ***Income taxes:*** Significant judgements are involved in determining provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

iv. ***Measurement of defined benefit obligations:*** The cost of the defined benefit obligations is based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. All assumptions are reviewed on a periodic basis.

v. ***Impairment of financial assets:*** The Company assessee the expected credit losses associated with financials assets carried at amortised cost based on 24 month expected credit losses (ECL) at each reporting period.

vi. ***Property, plant and equipment and Intangible assets:*** The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically. INDAS 38 requires Internally Generated Intangible Assets to be measured at their Development stage as cost incurred towards designing the product and making it ready for commercial use.

vii. ***Other estimates:*** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.5 Functional and presentation currency

Items included in the consolidated Ind AS financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.6 Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment- the cost and related accumulated deprecition are derecognized from the financials statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Subsequent expenditures relating to property, plant and equipment is capitalized 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. Repairs and maintenance costs are recognized in the standalone statement of profit and loss when incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is classified as capital advances under other non-current assets and the cost of the assets not ready for intended use are disclosed under 'Capital work-in-progress'

ii) Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method ('SLM') over the estimated useful lives of the property, plant and equipment as estimated by the Management and is generally recognized in the standalone statement of profit and loss. The management believes that the useful lives as given below best represent the period over which the management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for some of these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of). The Company has estimated the useful lives for property, plant and equipment as follows:

VARSAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

MFX Infotech Pvt. Ltd. Bangalore

Asset category	Estimated useful life for 31 March 2020
Computer Equipment	3 years
Plant and machinery	3 years
Furniture and Fixtures	5 years
Office equipment	5 years
Software	3 years

Leasehold improvements are depreciated over the lease term or estimated useful life whichever is lower.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted if appropriate.

2.8 Intangible assets

Internally generated: Research and development

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software includes employee costs and an appropriate portion of relevant overheads.
Capitalized development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Others

Other intangible assets such as computer software, copyright and trademarks are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brand, is recognised in the standalone statement of profit and loss as and when incurred.

(iv) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expenses in the standalone statement of profit and loss.

The estimated useful lives of intangible assets are as follows:

Asset category	Estimated useful life for 31 March 2020
Software (owned)	3 years

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

2.9 Impairment of non-financial assets

Intangible assets and property, plant and equipment 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the standalone statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's cash generating units (CGU) or Company's of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable Company of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Company of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in net profit in the standalone statement of profit and loss and is not reversed in the subsequent period.

2.10 Leases

Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The Company has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The Company's lease asset classes consist of Building. The company assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

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

Bangalore India

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Practical expedients adopted on initial recognition:

1. Single discount rate is applied to a portfolio of leases with reasonably similar characteristics on the date of initial application.

2. Value of initial direct costs (such as Stamp Duty, registration costs etc. already paid) excluded from the measurement of ROUA.

2.11 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises purchase price and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell.

Inventories are stated net of write down or allowances on account of obsolete, damaged or slow moving items. The Company assess the obsolescence of inventory on a periodic basis.

2.12 Revenue recognition

The Company adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts are recognized as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation. Certain arrangements are on time and material basis and are recognized as the services are performed as per the terms of the arrangement with the customer.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of service delivery costs.

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Refer Note 34 for disclosure related to revenue from contracts with customers.

a) **<u>Software Service Fee:</u>** - Revenue recognized based on Time and Efforts on a monthly or milestone completion basis, wherever applicable.

b) **<u>License Sales</u>**: - Revenues from selling licenses are recognized at the date of sale or date of completion of milestone, wherever applicable. Such revenue is recognized when the risks and rewards associated with the item have been transferred from the seller to the buyer and no significant uncertainty exists as regards the amount of consideration and its collection. The amount recognized as revenue net of returns, trade discounts and quantity discounts.

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2.13 Other income

Other income mostly comprises interest income on deposits, dividend income and gain/ (losses) on disposal of financial assets and non-financial assets. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

2.14 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the reporting date.

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 standalone statement of profit or loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in the standalone statement profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

The assets and liabilities of foreign operations (subsidiaries and joint venture) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the standalone statement of profit and loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

2.15 Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

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b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
  - the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

(ii) A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
  - the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
  - the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

(iii) On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-to-investment basis.

(iv) All financial assets not classified at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

b) Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the standalone statement of profit and loss.
Financial assets at Amortized Cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and loss. Any gain or loss on derecognition is recognised in the standalone statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the standalone statement of profit and loss.

Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the standalone statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to standalone statement of profit and loss.

c) Impairment of financial assets

The company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on financial assets trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

d) **Derecognition of financial assets**

A financial asset is derecognised only when:
- The Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss (FVTPL) or amortized cost. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit and loss. Other financial liabilities subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit and loss. Any gain or loss is also recognized in the statement of profit and loss.

All financial liabilities are recognized 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 FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. 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 that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at FVTPL 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/ losses 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 recognized in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized 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 recognized in the standalone statement of profit and loss.

2.15 Financial instruments (continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.
Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

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Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.16 Employee benefits

(a) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognized in other comprehensive income. Remeasurement of the net defined benefit liability/ asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(b) Short-term benefit plans

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

2.16 Employee benefits (continued)

(c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit Method as at the reporting date.

(d) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the standalone statement of profit and loss during the period in which the employee renders the related service.

(e) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Further, the Statement of profit and loss does not include an expected return on plan assets. Instead net interest recognised in the Statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to the Statement of profit and loss in subsequent periods.

(f) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.17 Share based payments

Equity instruments granted to the employees of the Company are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the standalone statement of profit and loss with a corresponding increase to the share-based payment reserve, a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

2.18 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the Statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

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 reporting date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting 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.

Deferred tax is not recognised for:

-temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.

- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

-taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realised. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

2.19 Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with the contract.

2.20 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.21 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.22 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.23 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.24 Segment reporting

Based on the "Management Approach" as defined in INDAS 108 Operating Segments, the Director of the company has been identified as the Chief Operating Decision Maker (CODM). The company is engaged in the business of Software Support Services and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The company's management is of the opinion that the company does not have secondary segments and hence segment reporting is not applicable.

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Notes to the financial statements for the year ended 31 Mar 2020

3. Property, plant and equipment

Particulars	Leasehold improvements	Office equipment	Computer equipment	ROU Building	Total
Gross carrying amount					
Opening Balance	10,03,037	52,28,201	1,18,67,173	-	**1,80,98,411**
Movement in Opening	-	-	-	-	-
Addition	5,15,585	60,663	28,71,043	-	**34,47,291**
Closing gross carrying amount at 31 Mar 2019	**15,18,622**	**52,88,864**	**1,47,38,216**	**-**	**2,15,45,702**
Opening Balance	15,18,622	52,88,864	1,47,38,216	-	**2,15,45,702**
Movement in Opening	-	-	-	4,13,87,681	**4,13,87,681**
Addition	3,90,345	1,43,677	44,12,506	-	**49,46,528**
Closing gross carrying amount at 31 Mar 2020	**19,08,967**	**54,32,541**	**1,91,50,722**	**4,13,87,681**	**6,78,79,911**
Opening Balance	7,37,053	25,44,703	66,63,050	-	**99,44,806**
Addition	2,65,984	10,54,399	37,88,023	-	**51,08,406**
Closing accumulated depreciation as at 31 Mar 2019	**10,03,037**	**35,99,102**	**1,04,51,073**	**-**	**1,50,53,212**
Opening Balance	10,03,037	35,99,102	1,04,51,073	-	**1,50,53,212**
Addition	2,33,062	8,98,022	30,26,831	1,49,89,384	**1,91,47,299**
Closing accumulated depreciation as at 31 Mar 2020	**12,36,099**	**44,97,124**	**1,34,77,904**	**1,49,89,384**	**3,42,00,511**
Net Carrying amount					
As at 31 Mar 2020	**6,72,868**	**9,35,417**	**56,72,818**	**2,63,98,297**	**3,36,79,399**
As at 31 Mar 2019	**5,15,585**	**16,89,762**	**42,87,143**	**-**	**64,92,490**

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4. Intangible assets

Particulars	Computer software	Total
Gross carrying amount		
Opening Balance	2,90,027	2,90,027
Addition	-	-
Deletion	-	-
Closing	-	-
Closing gross carrying amount at 31 Mar 2019	**2,90,027**	**2,90,027**
Opening Balance	2,90,027	2,90,027
Addition	57,29,500	57,29,500
Deletion	-	-
Closing	-	-
Closing gross carrying amount at 31 Mar 2020	**60,19,527**	**60,19,527**
Opening Balance	2,74,945	2,74,945
Addition	15,082	15,082
Deletion	-	-
Closing	-	-
Closing accumulated depreciation as at 31 Mar 2019	**2,90,027**	**2,90,027**
Opening Balance	2,90,027	2,90,027
Addition	-	-
Deletion	-	-
Closing	-	-
Closing accumulated depreciation as at 31 Mar 2020	**2,90,027**	**2,90,027**
Net Carrying amount		
As at 31 Mar 2020	**57,29,500**	**57,29,500**
As at 31 Mar 2019	-	-

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6 Income tax

Income Tax Assets/Liabilities in the Balance Sheet are as follows :-

Particulars	As at 31 March 2020	As at 31 March 2019
Advance income tax/(Provision for Income Tax) net	3,02,94,796	2,18,14,462
	3,02,94,796	**2,18,14,462**

A Amount recognized in Profit or Loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current income tax:		
In respect of the current period	-	31,30,385
Short provision of tax relating to earlier years	-	(4,10,419)
Deferred tax		
Origination & reversal of temporary differences		
Increase/Reduction of Tax rate		
In respect of the current period	(1,64,64,639)	(19,48,415)
Income tax expense reported in the statement of profit and loss	**(1,64,64,639)**	**7,71,551**

B Income tax recognized in Other comprehensive Income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of the net defined benefit Liability/Asset		
Before tax	(14,89,055)	40,37,252
Tax (expense)/Benefit	3,74,765	(11,23,164)
Net of Tax	**(11,14,290)**	**29,14,088**

C Reconciliation of effective tax rate

Particulars	Tax Rate %	For the year ended 31 March 2020	Tax Rate %	For the year ended 31 March 2019
Profit before tax		(6,81,91,472)		51,89,785
Tax using company's domestic tax rate	25.17%	-	27.55%	14,43,798
Effect of:				
Expenses disallowed for tax purpose(net)		25,76,485	32.50%	16,86,587
Deferred tax assets		(1,64,64,639)		(19,48,415)
Effective tax rate	**20.37%**	**(1,38,88,154)**	**22.77%**	**11,81,970**
Add: Short/(excess) provision for prior year	0.00%	-	-7.91%	(4,10,419)
Total income tax expense	**20.37%**	**(1,38,88,154)**	**14.87%**	**7,71,551**

The tax rates under Indian Income Tax Act, for the year ended March 31, 2020 and March 31, 2019 is 25.17%. and 27.55%

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MFX Infotech Private Limited
Notes to the financial statements for the year ended 31 March 2020

D **The following table provides the details of income tax assets and income tax liabilities as of 31 March 2020, 31 March 2019:-**

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets	4,69,23,238	3,84,42,903
Income tax liabilities	1,66,28,441	1,66,28,441
Net income tax assets/(liability) at the end	**3,02,94,797**	**2,18,14,462**

E **Deferred tax (net)**
Deferred tax relates to the following:-

Particulars	Balance sheet	
	As at 31 March 2020	As at 31 March 2019
Excess of depreciation provided for in books of accounts	(7,53,363)	5,51,243
Provision for compensated absence	16,69,433	16,61,872
Provision for Gratuity	56,11,835	35,88,068
ROU Assets (WDV)	(66,43,923)	
ROU Liabality (WDV)	68,45,923	
Others	3,24,369	2,48,197
Loss For the year	1,46,61,449	
Impairment loss allowance on Financial assets	13,88,039	2,14,978
Net deferred tax assets/ (liabilities)	**2,31,03,762**	**62,64,358**

F **Recognised deferred tax assets and liabilities**
Movement of deferred tax assets / liabilities presented in the balance sheet

As at 31 March 2020

Particulars	Opening balance	Recognized in Profit or loss	Recognized in OCI	Closing Balance
Excess of depreciation provided for in books of accounts	5,51,243	(13,04,606)		**(7,53,363)**
Provision for compensated absence	16,61,872	7,561		**16,69,433**
Provision for Gratuity	35,88,068	20,23,767		**56,11,835**
ROU Assets (WDV)	-	(66,43,923)		**(66,43,923)**
ROU Liabality (WDV)	-	68,45,923		**68,45,923**
Others	2,48,197	(2,98,593)	3,74,765	**3,24,369**
Loss For the year	-	1,46,61,449	-	**1,46,61,449**
Impairment loss allowance on Financial assets	2,14,978	11,73,061		**13,88,039**
	62,64,358	**1,64,64,639**	**3,74,765**	**2,31,03,762**

As at 31 March 2019

Particulars	Opening balance	Recognized in Profit or loss	Recognized in OCI	Closing Balance
Excess of depreciation provided for in books of accounts	28,691	5,22,552		**5,51,243**
Provision for compensated absence	20,47,374	(3,85,502)		**16,61,872**
Provision for Gratuity	32,81,077	3,06,991		**35,88,068**
Others	37,003	13,34,358	(11,23,164)	**2,48,197**
Impairment loss allowance on Financial assets	44,962	1,70,016		**2,14,978**
	54,39,107	**19,48,415**	**(11,23,164)**	**62,64,358**

5 Non current loans

Particulars	31 Mar 2020	31 Mar 2019
Unsecured, considered good		
Security deposits	1,22,87,163	1,11,31,564
	1,22,87,163	**1,11,31,564**

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7 Other non-current assets

Particulars	31 Mar 2020	31 Mar 2019
Prepaid expenses	18,25,060	21,25,063
	18,25,060	**21,25,063**

8 Trade receivables

Particulars	31 Mar 2020	31 Mar 2019
Unsecured		
Considered good*	23,30,12,995	29,68,78,265
Considered doubtful	55,15,096	7,80,319
	23,85,28,091	**29,76,58,584**
Loss allowance		
Unsecured considered good	-	-
Less : Allowance for Credit Loss	(55,15,096)	(7,80,319)
	(55,15,096)	**(7,80,319)**
Net trade receivables	**23,30,12,995**	**29,68,78,265**

*Includes Receivables from Related Parties, refer note 39

9 Cash and cash equivalents

Particulars	31 Mar 2020	31 Mar 2019
Cash and cash equivalents		
Balances with banks		
In current accounts	4,25,02,989	4,46,27,109
Cash and cash equivalent in the statement of cash flow	**4,25,02,989**	**4,46,27,109**

10 Other bank balances

Particulars	31 Mar 2020	31 Mar 2019
In deposit accounts (mature within 12 months from the reporting date)	5,00,000	-
	5,00,000	**-**

11 Current loans

Particulars	31 Mar 2020	31 Mar 2019
Unsecured, considered good		
Security deposits	15,000	-
	15,000	**-**

12 Unbilled revenue

Particulars	31 Mar 2020	31 Mar 2019
Unbilled revenue	6,51,85,865	3,72,47,317
Less: Provision for impairment of unbilled revenue	-	-
	6,51,85,865	**3,72,47,317**

*Includes Receivables from Related Parties, refer note 38

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13 **Other current assets**

Particulars	31 Mar 2020	31 Mar 2019
Advances other than capital advances		
Travel advances to employees	3,49,383	24,31,691
Other advances	7,62,481	3,35,069
Prepaid expenses	18,59,481	26,51,926
Balances with government authorities	13,59,077	2,92,19,500
	43,30,422	**3,46,38,186**

14 **Share capital**

Particulars	31 Mar 2020	31 Mar 2019
Authorised		
20,00,000 (31 March 2019 : 20,00,000) equity shares of par value of Rs 10	2,00,00,000	2,00,00,000
	2,00,00,000	**2,00,00,000**
Issued, subscribed and paid-up		
10,00,000 (31 March 2019 : 10,00,000) equity shares of par value of Rs 10	1,00,00,000	1,00,00,000
Share Application money	-	-
	1,00,00,000	**1,00,00,000**

14.1 **Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 March	As at 31 March 2019
	Number of Shares	Number of Shares
Equity shares		
At the commencement of the year	10,00,000	10,00,000
Shares issued during the year (i)	-	-
At the end of the year	**10,00,000**	**10,00,000**

14.2 **Shares held by Holding Company**

Particulars	As at 31 March	As at 31 March 2019
	Number of Shares	Number of Shares
Equity shares		
Equity shares of par value Rs 10 each		
Quess Corp Limited	9,99,999	9,99,999
	9,99,999	**9,99,999**

14.3 **Details of shareholders holding more than 5% shares in the Company**

Particulars	As at 31 March	
	% held	% held
Equity shares		
Equity shares of par value Rs 10 each		
Quess Corp Limited	9,99,999	9,99,999

16 **Other equity***

Particulars	31 Mar 2020	31 Mar 2019
Other comprehensive income	16,37,177	27,51,466
Other Equity- Corporate Guarantee	10,50,000	10,50,000
Retained earnings	2,27,20,749	7,44,47,583
	2,54,07,926	**7,82,49,049**

**for detailed movement of reserves, refer Statement of changes in Equity*

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15. **Notes to the financial statements in relation of compulsorily convertible debentures**

(a) Reconciliation of the number of compulsorily convertible debentures outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2020		As at 31 March 2019	
	No.	Amount	No.	Amount
Number of compulsorily convertible debentures (CCDs) outstanding at the beginning and end of the year	1,20,612	12,06,12,000	-	-

(b) The rights, preferences and restrictions attaching to compulsorily convertible debentures issued to Quess Corp Limited, holding company including restirctions if any :

The Company has one class of compulsorily convertible debentures of Rs 1000 per CCD. These CCDs are unsecured and carry a discretionary coupon of 10% per annum. The CCDs shall have a tenure of 10 years from the date of issue. The holder of these CCDs shall have the right to convert any or all of the CCDs, any time during the tenure of CCDs. CCDs outstanding at the end of the tenure shall be automatically be converted into Equity shares of the Company. These CCDs shall be converted into 4,09,493 equity shares at an issue price INR 294.54 each having a face value of INR 10 each..

(c) Particulars of compulsorily convertible debentures held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company:

Particulars	As at 31 March 2020	As at 31 March 2019
Quess Corp Limited, holding company	1,20,612	-

(d) CCD holders holding more than 5% of compulsorily convertible debentures along with the total number of CCDs held at the beginning and at the end of the reporting period is as given below

Particulars	As at 31 March 2020		As at 31 March 2019	
	% of holding	No.	% of holding	No.
Quess Corp Limited	100.00%	1,20,612	100.00%	-

Quess Corp Limited - Standalone financial statements

Non-current investments

Particulars	As at 31 March 2020	As at 31 March 2019
Investments accounted at cost		
Investment in 10% CCDs of MFXI		
- in subsidiaries		
120,612 (31 March 2019: Nil) CCDs of MFX Infotec Private Limited (Refer note below)	12,06,12,000	-

Note

10% Unsecured compulsorily convertible debentures issued by MFX Infotec Private Limited-

(a) As at the end of reporting period, the paid up value of these CCDs is INR 12.061 crores (i.e., 120,612 unsecured compulsorily convertible debentures of INR 120,612,000 each (31 March 2019 : Nil)

(b) These CCDs carry a discretionary coupon of 10% per annum.

('c) These CCDs shall have a tenure of 10 years from the date of issue. CCDs holder shall have the right to convert any or all of the CCDs, any time during the tenure of CCDs. CCDs outstanding at the end of the tenure shall be automatically be converted into Equity shares of the Company. These CCDs shall be converted into 4,09,493 equity shares at an issue price INR 294.54 each having a face value of INR 10 each..

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17 Other non-current financial liabilities

Particulars	31 Mar 2020	31 Mar 2019
Lease liability	1,16,06,122	-
	1,16,06,122	**-**

18 Non-current provisions

Particulars	31 Mar 2020	31 Mar 2019
Provision for gratuity (refer note 39)	2,00,17,876	1,23,96,927
Provision for compensated absences (refer note 40)	43,95,844	43,71,407
	2,44,13,720	**1,67,68,334**

19 Current borrowings

Particulars	31 Mar 2020	31 Mar 2019
Loans from bank repayable on demand		
Secured		
Bill discounting facility from bank	4,76,68,950	5,60,15,550
Loan from related parties, unsecured		
From Holding company**	-	11,37,92,857
	4,76,68,950	**16,98,08,407**

*The Company has availed packing credit in foreign currency (PCFC) & post shipment credit in foreign currency (PSFC) facilities from Yes bank Limited and utilised Rs.47,668,950 (Previous Year: Rs 56,015,550.) of PSFC. The facility is secured by way of pari passu first charge on the entire current assets of the Company. The rate of interest is bank's base rate plus 1.75% p.a.

20 Trade payables

Particulars	31 Mar 2020	31 Mar 2019
Other trade payables	10,26,54,480	12,04,24,951
	10,26,54,480	**12,04,24,951**

As on 31 March 2020 and 31 March 2019, there are no outstanding amounts due to micro and small enterprises. There are no interests due or outstanding on the same.

* Includes trade payables to related parties . Refer note 38

21 Other current financial liabilities

Particulars	31 Mar 2020	31 Mar 2019
Lease liability	1,55,94,781	-
Other Payables		
Accrued salaries and benefits	6,27,72,010	4,79,99,989
Provision for expenses	1,43,10,306	73,16,370
	9,26,77,096	**5,53,16,359**

* Includes Accrrued Expense to related parties . Refer note 38

22 Current provisions

Particulars	31 Mar 2020	31 Mar 2019
Provision for employee benefits		
Provision for gratuity (refer note 49)	22,79,627	6,26,913
Provision for compensated absences (refer note 40)	22,37,313	16,60,795
	45,16,940	**22,87,708**

23 Other current liabilities

Particulars	31 Mar 2020	31 Mar 2019
Advance received from customers*	30,50,314	-
Balances payable to government authorities	98,59,405	83,64,005
	1,29,09,719	**83,64,005**

* Includes Advance from related parties . Refer note 38

24 Revenue from operations

Particulars	For the year ended 31 Mar 2020	31 Mar 2019
Sale of services		
Software sales and maintenance	64,79,79,204	49,89,41,843
Sale of License	60,02,653	21,52,824
Total sale of services	**65,39,81,857**	**50,10,94,667**

25 Other income

Particulars	For the year ended 31 Mar 2020	31 Mar 2019
Interest income under the effective interest method on:		
Cash and cash equivalents	-	-
Interest income on present valuation of financial instruments	11,55,600	12,93,734
Foreign exchange gain	1,73,18,105	1,14,15,105
Miscellaneous income	91,015	-
	1,85,64,720	**1,27,08,839**

26 Cost of material consumed

Particulars	For the year ended 31 Mar 2020	31 Mar 2019
Cost of materials	**49,58,448**	**17,78,155**

27 Employee benefits expense

Particulars	For the year ended 31 Mar 2020	31 Mar 2019
Salaries and wages	59,88,21,287	32,88,26,096
Contribution to provident and other funds	2,98,93,802	74,21,893
Expenses related to post-employment defined benefit plan	65,24,619	51,48,553
Expenses related to compensated absences	(5,28,904)	(13,99,280)
Staff welfare expenses	56,71,243	36,81,461
	64,03,82,047	**34,36,78,723**

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28 **Finance costs**

Particulars	For the year ended 31 Mar 2020	31 Mar 2019
Interest expense on financial liabilites measured at amortised cost	91,70,703	1,07,99,490
Other borrowing costs	7,24,051	9,57,863
	98,94,754	**1,17,57,352**

*Includes Interest to Related Parties, refer note 38

29 **Depreciation and amortisation expense**

Particulars	For the year ended 31 Mar 2020	31 Mar 2019
Depreciation and Amortisation	1,91,47,299	51,23,489
	1,91,47,299	**51,23,489**

30 **Other expenses**

Particulars	For the year ended 31 Mar 2020	31 Mar 2019
Sub-contractor charges	84,18,369	33,00,041
Rent	86,76,284	2,39,16,490
Power and Fuel	64,40,476	73,24,975
Repairs & maintenance		
- buildings	39,78,804	39,79,513
- plant and machinery	14,250	-
- others	9,16,846	5,65,997
Legal and professional fees (refer note 38.1)	43,96,786	7,73,47,088
Rates and taxes	23,11,013	3,27,467
Technological support services	24,06,846	17,55,291
Printing and stationery	4,15,126	2,83,048
Travelling and conveyance	1,78,08,629	2,21,79,459
Communication expenses	48,80,273	42,47,110
Impairment loss on financial assets	47,34,777	6,17,115
Equipment hire charges	2,86,500	48,252
Insurance	2,51,751	1,65,461
Bank charges	88,151	76,405
Business promotion and advertisement expenses	1,36,331	1,42,290
Miscellaneous expenses	1,94,290	(0)
	6,63,55,501	**14,62,76,002**

Particulars	For the year ended 31 Mar 2020	31 Mar 2019
Statutory Audit fees	2,80,000	2,85,250
Tax Audit fees	-	99,220
	2,80,000	**3,84,470**

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Notes to the financial statements for the year ended 31 March 2020

31 Financial instruments - fair value and risk management

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

Particulars	Carrying amount	Fair value		
	31-Mar-20	Level 1	Level 2	Level 3
Financial assets				
Amortised cost				
Trade receivable	23,30,12,995	-	-	-
Cash and cash equivalents	4,30,02,989	-	-	-
Loans	1,23,02,163	-	-	-
Other assets	6,51,85,865	-	-	-
Total financial assets	**35,35,04,013**	-	-	-

Particulars	Carrying amount	Fair value		
	31-Mar-20	Level 1	Level 2	Level 3
Financial liabilities				
Amortised cost				
Lease Liability	1,16,06,122	-	-	-
Loans and borrowings	4,76,68,950	-	-	-
Trade payables	10,26,54,480	-	-	-
Other liabilities	9,26,77,096	-	-	-
Total financial liabilities	**25,46,06,648**	-	-	-

Particulars	Carrying amount	Fair value		
	31-Mar-19	Level 1	Level 2	Level 3
Financial assets				
Amortised cost				
Trade receivable	29,68,78,265	-	-	-
Cash and cash equivalents	4,46,27,109	-	-	-
Loans	1,11,31,564	-	-	-
Other assets	3,72,47,317	-	-	-
Total financial assets	**38,98,84,254**	-	-	-

Particulars	Carrying amount	Fair value		
	31-Mar-19	Level 1	Level 2	Level 3
Financial liabilities				
Amortised cost				
Loans and borrowings	16,98,08,407	-	-	-
Trade payables	12,04,24,951	-	-	-
Other liabilities	5,53,16,359	-	-	-
Total financial liabilities	**34,55,49,717**	-	-	-

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Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference shares included in level 3.

Fair valuation method

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

A Financial Assets:

1) Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B Financial Liabilities:

1) **Borrowings**: It includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the loan is reset on a monthly/quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

2) **Trade payables and other liabilities:** Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

3) **Financial liability:** The fair value of financial liability has been determined by discounting consideration payable on commitment to sell. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of this put option.

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32 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Board of Directors of MFX Infotech Private Limited has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customer. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 31 March 2019 and 31 March 2020 are as follows:

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 360 days past due. Loss rates are based on actual credit loss experience over the last six quarters.

These rates have been adjusted to reflect the management's view of economic conditions over the expected lives of the receivables.

At 31 March 2020, the Company's most significant customer, a MFXchange US, Inc accounted for Rs 215,530,542 of the trade and other receivables carrying amount (31 March 2019 : Rs 269,380,440).

Impairment

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers :-

As at 31 March 2020

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	14,07,83,272	0.013%	18,147	No	14,07,65,125
Past due 1–90 days	8,35,74,083	0.038%	31,664	No	8,35,42,419
Past due 91–180 days	67,69,382	0.241%	16,339	No	67,53,043
Past due 181–270 days	15,36,866	5.294%	81,356	NA	14,55,510
Past due 271–360 days	-	15.881%	-	No	-
Above 360 days	58,64,488	91.53%	53,67,590	NA	4,96,898
	23,85,28,091		**55,15,096**		**23,30,12,995**

As at 31 March 2019

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	11,96,58,076	0.115%	1,37,803	No	11,95,20,273
Past due 1–90 days	13,32,42,094	0.149%	1,98,779	No	13,30,43,315
Past due 91–180 days	3,96,91,289	0.206%	81,800	No	3,96,09,489
Past due 181–270 days	-	1.020%	-	NA	-
Past due 271–360 days	50,67,125	7.143%	3,61,938	No	47,05,188
Above 360 days	-	100.000%	-	NA	-
	29,76,58,584		**7,80,319**		**29,68,78,265**

Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates. The Company's objective is to maintain a balance between cash outflow and inflow. The company believes that the working capital is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

Financing arrangement

The Company maintains the following line of credit:

(i) The Company has taken bill discounting facilities from banks having interest rate of Base rate+1.75%. The facility is secured by way of pari passu first charge on the entire current assets of the Company and corporate guarantee from Holding company.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March, 2020 and 31 March 2019 :-

Particulars	Carrying amount	As at 31 March 2020		
		Less than 1 year	1-2 years	2 years and above
Borrowings	4,76,68,950	4,76,68,950	-	-
Trade payables	10,26,54,480	10,26,54,480	-	-
Other financial liabilities	10,42,83,218	9,26,77,096	1,16,06,122	-

Particulars	Carrying amount	As at 31 March 2019		
		Less than 1 year	1-2 years	2 years and above
Borrowings	16,98,08,407	16,98,08,407	-	-
Trade payables	12,04,24,951	12,04,24,951	-	-
Other financial liabilities	5,53,16,359	5,53,16,359	-	-

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Company companies.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk as reported to management is as follows:

Particulars	Currency	As at 31 March 2020		As at 31 March 2019	
		Foreign currency	Amount in Reporting Currency	Foreign currency	Amount in Reporting Currency
Trade receivables	USD	29,29,288	22,16,44,576	42,48,554	29,38,08,752
		29,29,288	**22,16,44,576**	**42,48,554**	**29,38,08,752**

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The following significant exchange rates have been applied

Particulars	Year end spot rate 31 March 2020	31 March 2019
USD/ INR	75.665	69.155

Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the USD against INR at 31 March 2020 and 31 March 2019 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2020				
USD (1% movement)	22,16,446	(22,16,446)	16,58,611	(16,58,611)
31 March 2019				
USD (2% movement)	58,76,175	(58,76,175)	42,41,423	(42,41,423)

Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowing comprises of invoice discounting facility which carries fixed rate of interest and borrowings from holding company, which do not expose it to significant interest rate risk.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:-

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	4,76,68,950	16,98,08,407
Total borrowings	**4,76,68,950**	**16,98,08,407**

Sensitivity analysis

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2020				
Variable rate borrowings	(4,76,690)	4,76,690	(3,56,716)	3,56,716
31 March 2019				
Variable rate borrowings	(16,98,084)	16,98,084	(12,25,677)	12,25,677

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing, current borrowing, current maturities of long-term borrowings and current maturities of finance lease obligations less cash and cash equivalents.

The capital structure is as follows :-

Particulars	As at 31 March 2020	As at 31 March 2019
Gross debt	4,76,68,950	16,98,08,407
Less: Cash and cash equivalents	4,30,02,989	4,46,27,109
Adjusted net debt	46,65,961	12,51,81,298
Total equity	15,60,19,926	8,82,49,049
Less: Effective portion of cash flow hedges and cost of hedging	-	-
Total equity	15,60,19,926	8,82,49,049
Net debt to equity ratio	**0.03**	**1.42**

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MFX Infotech Pvt. Ltd.

33 INDAS -116 - Lease

Lease liability

Particulars	As at 31 March 2020
Current lease liability	1,55,94,781
Non-current lease liability	1,16,06,122
Total	**2,72,00,903**

The following is the movement in lease liabilities	
Add: Additions through business combination	-
Less: Deletion	-
Add: Finance cost accrued during the period	33,24,666.00
Less: Payment of lease obligation	(1,75,11,444.00)
Translation loss / (gain)	-
Carrying amount as at 31 March 2020	2,72,00,903.31

Amount recognised in PL

Expenses relating to short-term lease (included in other expenses)	
Expenses relating to lease of low value assets that are not included above (included in other expenses)	
	33,24,666

The table below provides details regarding the contractual maturities of lease liabilities as of 31

Particulars	As at 31 March 2020
Less than one year	1,55,94,781.06
One to five years	1,16,06,122.06
More than five years	-
	2,72,00,903.12

Rental expense recorded for short-term leases was 1,75,11,444.00

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34 Revenue from Contracts with customers

(i) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers by geography for each of our business segments for the year ended 31 March 2020. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Year ended March 31, 2020

Particulars	Amount
Revenues by Geography	
India	32,04,67,569
United States of America	31,47,30,676
Others	1,87,83,612
Total	65,39,81,857

(ii) Trade Receivables and Contract Balances

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables'	23,30,12,995	29,68,78,265
Contract assets	6,51,85,865	3,72,47,317
Contract liabilities	30,50,314	-

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date.The contract assets are transferred to receivables when the rights become unconditional.
The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2020

(Amount in INR)

Particulars	For the year ended 31 March 20
Balance at the beginning	3,72,47,317
Add : Revenue recognized during the period	65,39,81,857
Less : Invoiced during the period	62,60,43,309
Less : Impairment / (reversal) during the period	
Add : Translation gain/(Loss)	
Balance at the end	6,51,85,865

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for (i) contracts with an original expected duration of one year or less and (ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2020, other than those meeting the exclusion criteria mentioned above, is NIL.

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35 Contingent liabilities and Capital commitment

Particulars	31 March 2020	31 March 2019
Contingent liabilities	-	-
Capital Commitments	14,69,508	1,75,925
	14,69,508	**1,75,925**

36 Unhedged foreign currency exposure

Foreign currency exposures on account of trade receivables/ trade payables not hedged by derivative instruments are as follows:

Particulars		31 March 2020		31 March 2019	
	Currency	Foreign currency	Amount in Rs	Foreign currency	Amount in Rs
Trade receivables	USD	29,29,288	22,16,44,576	42,48,554	29,38,08,752
		29,29,288	**22,16,44,576**	**42,48,554**	**29,38,08,752**

37 Earnings in foreign currency

Particulars	31 March 2020	31 March 2019
Software sales and service	31,86,84,248	48,65,50,027
	31,86,84,248	**48,65,50,027**

Expenditure in foreign currency

Particulars	31 March 2020	31 March 2019
Travelling and conveyance	10,96,018	72,63,330
License Fee	49,58,448	17,78,155
	60,54,466	**90,41,485**

38 Related party disclosures

(i) Name of related parties and description of relationship:

- Entities having significant influence	Fairfax Financial Holdings Limited Fairfax (US) Inc. HWIC Asia Fund Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019) Thomas Cook (India) Limited (upto 6 December 2019) Fairfax (US) Inc. National Collateral Management Services Limited
- Subsidiaries, associates and joint venture	Refer note (ii)
- Entities having common directors	Excelus Learning Solutions Private Limited Greenpiece Landscapes India Private Limited Vedang Cellular Services Private Limited Simpliance Technologies Private Limited Monster.Com (India) Private Limited Terrier Security Services (India) Private Limited Trimax Smart Infraprojects Private Limited

Key management personnel:
The Company has also entered into transactions with the key management personnel. The Key management personnel are mentioned below:

- Entity in which key managerial personnel have significant influence — Careworks foundation

Key executive management personnel

Subramanian Ramakrishnan	Director
Kundan Kumar Lal	Additional Director

(ii) List of fellow subsidiaries (including step-subsidiaries), associates and joint venture

Name of the entity	Nature of relation	Country of domicile
Coachieve Solutions Private Limited*	Subsidiary	India
Aravon Services Private Limited*	Subsidiary	India
Brainhunter Systems Ltd.	Subsidiary	Canada
Mindwire Systems Limited	Subsidiary	Canada
Quess (Philippines) Corp.	Subsidiary	Philippines
Quess Corp (USA) Inc.	Subsidiary	USA
Quesscorp Holdings Pte. Ltd.	Subsidiary	Singapore
Quess Corp Vietnam LLC	Subsidiary	Vietnam
Quessglobal (Malaysia) SDN. BHD.	Subsidiary	Malaysia
Quess Corp Lanka (Private) Limited	Subsidiary	Sri Lanka
Comtel Solutions Pte. Ltd.	Subsidiary	Singapore
MFXchange Holdings, Inc.	Subsidiary	Canada
MFXchange US, Inc.	Subsidiary	USA
Dependo Logistics Solutions Private Limited	Subsidiary	India
CentreQ Business Services Private Limited*	Subsidiary	India
Excelus Learning Solutions Private Limited	Subsidiary	India
Conneqt Business Solution Limited	Subsidiary	India
Vedang Cellular Services Private Limited	Subsidiary	India
Master Staffing Solutions Private Limited*	Subsidiary	India
Golden Star Facilities and Services Private Limited	Subsidiary	India
Comtelpro Pte. Limited.	Subsidiary	Singapore
Comtelink Sdn. Bhd	Subsidiary	Malaysia
Monster.com (India) Private Limited	Subsidiary	India
Monster.com.SG PTE Limited	Subsidiary	Singapore
Monster.com HK Limited	Subsidiary	Hong Kong
Agensi Pekerjaan Monster Malaysia SDN. BHD.	Subsidiary	Malaysia
Quesscorp Management Consultancies	Subsidiary	Dubai, UAE
Quesscorp Manpower Supply Services LLC	Subsidiary	Dubai, UAE
Qdigi Services Limited	Subsidiary	India
Greenpiece Landscapes India Private Limited	Subsidiary	India
Simpliance Technologies Private Limited	Subsidiary	India
Allsec Technologies Limited	Subsidiary	India
Allsectech Inc., USA	Subsidiary	USA
Allsectech Manila Inc., Philippiness	Subsidiary	Philippines
Retreat Capital Management Inc., USA	Subsidiary	USA
Trimax Smart Infraprojects Private Limited	Subsidiary	India
Quess Corp Services Limited	Subsidiary	Bangladesh
Terrier Security Services (India) Private Limited	Associate	India
Heptagon Technologies Private Limited	Associate	India
Quess East Bengal FC Private Limited	Associate	India
Quess Recruit, Inc.	Associate	Philippines
Agency Pekerjaan Quess Recruit SDN. BHD.	Associate	Malaysia
Himmer Industrial Services (M) SDN. BHD.	Joint venture	Malaysia

**Merged w.e.f 1 April 2019 pursuant to approval from the Regional Direcor, South East Region, MCA.*

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(iii) Related party transactions during the year/period

Particulars	31 March 2020	31 March 2019
Revenue from operations	**63,18,22,024**	**44,68,40,602**
MFXchange US, Inc	31,18,91,423	43,98,81,776
Quess Corp Limited	29,89,85,985	-
Brainhunter Systems Limited, Canada	1,48,30,040	-
MFXchange Holdings, Inc	39,53,572	47,68,848
Go Digit General Insurance Limited	12,72,689	21,89,978
Allsec Technologies Limited	8,88,315	-
Expenses incurred by related parties on behalf of the Company	**21,36,604**	**38,14,323**
Quess Corp Limited	21,36,604	38,14,323
Unsecured loans received from Holding company	-	**50,00,000**
Quess Corp Limited	-	50,00,000
Repayment of loans received from Holding company	-	**40,00,000**
Quess Corp Limited	-	40,00,000
Interest on unsecured loans	**37,74,073**	**63,36,359**
Quess Corp Limited	37,74,073	75,16,461
Rendering of services by related parties	**38,59,974**	**7,56,04,777**
Quess Corp Limited	-	7,30,00,000
Terrier Security Services India Pvt Ltd	25,47,474	26,04,777
Heptagon Technologies Private Limited	9,87,900	-
Monster.com (India) Private Limited	3,24,600	-
Thomas Cook India Ltd	13,090	

(iv) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars	31 March 2020	31 March 2019
Trade receivables	**22,46,70,436**	**27,44,47,565**
MFXchange US, Inc	21,55,30,542	26,93,80,440
MFXchange Holdings Inc	-	-
Brainhunter Systems Limited, Canada	87,63,055	-
Go Digit General Insurance Limited	3,76,839	
Quess Corp Limited	-	-
Quess Corp Holdings Pte Ltd	-	50,67,125
Allsec Technologies Ltd	-	-
Unbilled revenue	**6,37,03,506**	**3,45,77,500**
MFXchange US, Inc	3,17,79,300	3,45,77,500
Quess Corp Limited	3,02,35,881	-
Brainhunter Systems Limited, Canada	12,00,000	-
MFXchange Holdings Inc	3,78,325	-
Go Digit General Insurance Limited	1,10,000	-
Provision for expenses	**1,85,326**	-
Quess Corp Limited	1,85,326	-
Trade payables	**10,20,04,474**	**11,66,58,003**
Quess Corp Limited	10,12,41,592	11,50,54,323
Terrier Security Services India Pvt Ltd	6,78,642	16,03,680
Monster.com (India) Private Limited	84,240	-
Unsecured Loan payable including interest	-	**11,37,92,857**
Quess Corp Limited	-	11,37,92,857
Outstanding Bank Guarantees provided by holding company		
Quess Corp Limited	6,00,00,000	6,00,00,000

(v) Compensation of key managerial personnel

There is no compensation paid to Key Managerial Personnel during the year (Previous Year : NIL)

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39 Gratuity

The following table sets out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at 31 March 2020 and 31 March 2019

Particulars	31 March 2020	31 March 2019
Change in defined benefit obligation		
Obligation at the beginning of the year	1,30,20,838	1,19,09,537
Current service cost	54,67,247	42,38,121
Interest cost	10,60,374	9,10,432
Benefit settled	(3,05,809)	-
Laiblity TRFR IN	15,65,794	-
Actuarial (gain) / loss- Experience	14,89,055	(43,43,692)
Actuarial (gain) / loss- financial assumptions	-	3,06,440
Obligation at end of the year	**2,22,97,499**	**1,30,20,838**

Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	31 March 2020	31 March 2019
Fair value of plan assets at the end of the year	-	-
Present value of the defined benefit obligations at the end of the year	2,22,97,499	1,30,20,838
Liability recognised in the balance sheet	**2,22,97,499**	**1,30,20,838**
Current	22,79,627	6,26,913
Non-current	2,00,17,876	1,23,96,927

Gratuity cost for the year

Particulars	31 March 2020	31 March 2019
Current service cost	54,67,247	42,38,121
Net interest on net defined benefit liability/(asset)	10,60,374	9,10,432
Re-measurement- actuarial gain/(loss) recognised on OCI	14,89,055	(40,37,252)
Net gratuity cost	**80,16,676**	**11,11,301**

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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

	31 March		31st March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	2,06,73,392	2,41,55,682	1,20,43,166	1,41,34,762
Future salary growth(1% movement)	2,40,54,238	2,07,10,088	1,41,02,345	1,20,48,687

Assumptions

Particulars	Core employees	Associate employees
Discount rate	5.50%	7.35%
Estimated rate of return on plan assets	NA	NA
Salary increase	9% & 7.5%	9.00%
Attrition rate	12.5% & 50%	12.50%
Retirement age years	58 years	58
Mortality Rate	LIC(2012-14) published table of Mortality- Rates 100% of IALM 2012 14	LIC(2006-08) published table of Mortality Rates

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Maturity profile of defined benefit obligation :-

Particulars	31 March 2020	31 March 2019
Within 1 year	22,79,627	6,26,913
2-5 years	93,53,771	61,09,180
6-10 years	90,22,974	62,72,871
>10 years	1,63,09,916	1,37,63,691
	3,69,66,288	2,67,72,655

40 Compensated absence

The company has accounted the cost of compensated absences based on the actuarial valuation report obtained as at 31 March 2020 and has estimated a compensated absence liability of Rs.6,633,157 (Previous Year: Rs.6,032,202) under Projected Unit Credit Method as per IND AS 19. During the year, the Company has accounted in the incremental liability accounted in previous year in the statement of profit and loss for the year

Key Assumptions used in the valuation of Compensated absence are as given below

Assumptions

Particulars	31 March 2020	31 March 2019
Discount rate	5.50%	7.35%
Estimated rate of return on plan assets	NA	NA
Salary increase	9% & 7.5%	9.00%
Attrition rate	12.5% & 50%	12.50%
Retirement age years	58 years	58
Mortality Rate	LIC(2012-14) published table of Mortality- Rates 100% of IALM 2012 14	LIC(2006-08) published table of Mortality Rates

Set out below is the movement in provision balances in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'

Particulars	Privilege Leave
Balance as at 1 April 2018	74,31,482
Add: Additions during the year	-
Less: Utilisation/reversal during the year	13,99,280
Closing balance as at 31 March 2019	**60,32,202**
Balance as at 1 April 2019	60,32,202
Add: Additions during the year/ Transfer in	11,29,859
Less: Utilisation/reversal during the year	5,28,904
Closing balance as at 31 March 2020	**66,33,157**

46 Covid 19 Assessment

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

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MFX Infotech Private Limited
Notes to the financial statements for the year ended 31 March 2020

Set out below is the movement in provision balances in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'

Particulars	Privilege Leave
Balance as at 1 April 2018	74,31,482
Add: Additions during the year	-
Less: Utilisation/reversal during the year	13,99,280
Closing balance as at 31 March 2019	**60,32,202**
Balance as at 1 April 2019	60,32,202
Add: Additions during the year/ Transfer in	11,29,859
Less: Utilisation/reversal during the year	5,28,904
Closing balance as at 31 March 2020	**66,33,157**

41 Earnings per Share

Profit after Tax and Other Comprehensive Income	(5,17,26,834)	44,18,234
No.of Equity Shares	10,00,000	10,00,000
No.of Equity Shares - CCD	4,09,493	
Earnings per Share(EPS)	**(51.73)**	**4.42**
Diluted	**(36.70)**	**4.42**

42 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. The company does not have any transactions with MSMED companies and hence balance payable is NIL as on 31 March 2020 (Previous Year:NIL)

43 Segment Reporting

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The company is engaged in the business of Software Support Services and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The company's management is of the opinion that the company does not have secondary segments and hence segment reporting is not applicable.

44 Transfer Pricing

The company's management is of the opinion that its international transactions with related parties entered during the previous year are at arms' length and is compliant with the transfer pricing legislation as per independent accountant's report for the year ended 31 March 2019.The company is in the process of compiling the documentation of transfer pricing for the year ended 31 March 2020. The company's management believes that the Company's transactions with the related parties continue to be at arms' length and that the aforesaid legislation will not have any impact on the financial statements. particularly on the amount of tax expense and that of the provision for taxation.

45 Amalgamation of Company

During the year, the Board has accorded for the scheme of Amalgamation of Company with Quess Corp Limited (100% Holding Company).

for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 4 May 2020

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

for and on behalf of Board of Directors of
MFX Infotech Private Limited

MFX Infotech Pvt. Ltd. Bangalore

Kundan Kumar Lal
Additional Director
DIN: 06446995
Place: Bengaluru
Date: 4 May 2020

Subramanian Ramakrishnan
Director
DIN: 03522114
Place: Bengaluru
Date: 4 May 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Monster.com India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Monster.com India Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended / Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 45 in the financial statements which states that:

The company has incurred losses during the year amounting to Rs. 321,239,624 (Previous Year Rs. 2,70,40,727) which has substantially eroded the net-worth of the Company. The said condition cast significant uncertainty about the company's ability to continue as going concern. However, the Company is in receipt of an amount of Rs. 239,846,100 (PY: Nil) on account of issue of fully convertible debentures during the year, from the Holding Company. Further, the company has received a letter from the holding company confirming to provide necessary financial support to enable the company to continue as a going concern. In view of the above, the financial statements of the Company have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

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 the information included in the Management report, Chairman's statement, Director's report etc 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.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity[2] and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(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, the Statement of Changes in Equity[2] and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 20205226AAAAFG1725

Place: Hyderabad, India
Date: 6th May,2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF MONSTER.COM INDIA PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the 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 Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

____
Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN:20205226AAAAFG1725

Place: Hyderabad, India
Date: 06th May, 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MONSTER.COM INDIA PRIVATE LIMITED FOR THE YEAR ENDED 31st MARCH 2020

[Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) The fixed assets of the Company have not been physically verified by the management during the year. The company has not followed the regular program of verification in which the all the fixed assets needs to be physically verified at least once in a cycle of three years. Accordingly, material discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether such material discrepancies have been properly dealt with in the books of account.

(c) The Company does not have any immovable property. Accordingly, the requirements of paragraph 3(i)(c) of the Order are not applicable to the Company.

ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in 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 (LLP) or other parties[3] covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	**Nature of dues**	**Amount Rs.**	**Period to which the amount relates**	**Forum where dispute is pending**	**Remarks, if any**
Finance Act, 1994	Service Tax Demand	63,723,857	FY 2008-09 to FY 2013-14	CESTAT	

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us, since the Company is a Private Company, the provisions of section 197 of the Act will not be applicable. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN:20205226AAAAFG1725

Place: Hyderabad, India
Date: 06th May, 2020

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MONSTER.COM INDIA PRIVATE LIMITED

[Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to financial statements of Monster.com (India) Private Limited ("the Company") as of March 31, 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls With Reference to Financial Statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN:20205226AAAAFG1725

Place: Hyderabad, India
Date: 06th May, 2020

Monster.com (India) Private Limited

(Amount in INR lakhs, unless stated otherwise)

Balance Sheet	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	1,546.94	457.15
Other intangible assets	3 (b)	472.95	77.99
Intangible assets under development	3 (b)	110.65	448.53
Financial assets			
(i) Non-current loans	4	150.48	223.32
(ii) Other non-current financial assets	5	16.74	16.74
Deferred tax assets (net)	6	1,134.28	1,169.67
Income tax assets (net)	7	2,695.30	2,910.82
Other non-current assets	8	43.61	2.20
Total non-current assets		**6,170.96**	**5,306.42**
Current assets			
Financial assets			
(i) Trade receivables	9	2,693.96	4,164.11
(ii) Cash and cash equivalents	10	841.69	352.12
(iii) Bank balances other than cash and cash equivalents above	11	16.14	15.30
(iv) Loans	12	11.73	33.84
(v) Other financial assets	13	7.89	7.10
Other current assets	14	1,864.61	1,661.21
Total current assets		**5,436.02**	**6,233.68**
Total Assets		**11,606.98**	**11,540.10**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	5.00	5.00
Instruments entirely equity in nature	16	0.69	-
Other equity	17	1,968.25	2,798.15
Total equity		**1,973.94**	**2,803.15**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other non-current financial liabilities	18	1,055.73	-
Non-current provisions	19	447.00	513.03
Total non-current liabilities		**1,502.73**	**513.03**
Current liabilities			
Financial liabilities			
(i) Borrowings	20	600.00	-
(ii) Trade payables	21	1,191.83	1,002.62
(iii) Other financial liabilities	22	1,041.97	757.74
Current provisions	23	16.43	15.39
Other current liabilities	24	5,280.08	6,448.17
Total current liabilities		**8,130.31**	**8,223.92**
Total Liabilities		**9,633.04**	**8,736.95**
Total Equity and Liabilities		**11,606.98**	**11,540.10**

The notes referred to above form an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad, INDIA
Date: May 06, 2020

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

S. Ramakrishnan

Rajesh Kharidehal
Director
DIN: 08472077

Subramanian Ramakrishnan
Director
DIN: 03522114

Monster.com (India) Private Limited

(Amount in INR lakhs, except per share data)

Statement of Profit and Loss	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	26	10,883.58	13,097.25
Other income	27	209.76	346.71
Total income		**11,093.35**	**13,443.96**
Expenses			
Employee benefit expenses	28	6,303.23	5,431.57
Marketing and business promotional expenses		1,968.78	3,992.85
Reseller Services purchase expenses		2,107.99	1,704.86
Finance costs	29	311.31	87.22
Depreciation and amortisation expenses	3 (a)	803.98	250.99
Other expenses	30	2,771.02	3,358.44
Total expenses		**14,266.31**	**14,825.93**
Profit/(Loss) before income tax		**-3,172.96**	**-1,381.97**
Tax expense			
Current tax		-	-
-Tax expense of foreign branches	6	-39.43	-22.71
Deferred tax	6	-	1,134.28
Total tax expenses		**-39.43**	**1,111.57**
Profit/(Loss) for the year		**-3,212.40**	**-270.41**
Other comprehensive income/ (expense)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/ asset		20.12	23.65
Income tax relating to items that will not be reclassified to profit or loss		-35.40	35.40
Other comprehensive income for the period		-	-
Other comprehensive income/ (expense) for the year, net of income tax		**-15.27**	**59.05**
Total comprehensive income for the year		**-3,227.67**	**-211.36**
Earnings/(Loss) per equity share (face value of Rs 10 each)			
Basic earnings /(loss) per share (in INR)	36	(6,425)	(541)
Diluted earnings /(loss) per share (in INR)	36	(6,425)	(541)

The notes referred to above form an integral part of the financial statements.

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

Ananthakrishnan Govindan
Partner
Membership No: 205226

S. Ramakrishnan

Rajesh Kharidehal
Director
DIN: 08472077

Subramanian Ramakrishnan
Director
DIN: 03522114

Place: Hyderabad, INDIA
Date: May 06, 2020

Monster.com (India) Private Limited
Statement of Changes in Equity for the year ended March 31, 2020

(A) Equity share capital

(Amount in INR lakhs, unless stated otherwise)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Opening balance	15	5.00	5.00
Changes in equity share capital	15.1	-	-
Closing balance		**5.00**	**5.00**

(B) Instruments entirely equity in nature
(i) Compulsorily Convertible Debentures

(Amount in INR lakhs, unless stated otherwise)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Opening balance	16	-	-
Changes during the period	16.1	0.69	-
Closing balance		**0.69**	**-**

(C) Other equity

(Amount in INR lakhs, unless stated otherwise)

Particulars	Note 17	Reserves and surplus			Other items of other comprehensive income	Total equity attributable to equity holders of the Company
		Securities premium	Retained earnings	Capital reserve	Remeasurement of the net defined benefit	
Balance as of 1 April 2018		**2,360.54**	**452.19**	**29.09**	**167.70**	**3,009.52**
Add: Profit/(loss) for the year		-	-270.41	-	-	-270.41
Add: Security premium received during the period		-	-	-		-
Add: Other comprehensive income (net of tax)		-	-	-	59.05	59.05
Balance as of 31 March 2019		**2,360.54**	**181.79**	**29.09**	**226.75**	**2,798.16**
Balance as of 1 April 2019		**2,360.54**	**181.79**	**29.09**	**226.75**	**2,798.16**
Add: Profit/(loss) for the year		-	-3,212.40	-	-	-3,212.40
Add: Security premium received during the period		2,397.77	-	-	-	2,397.77
Add: Other comprehensive income (net of tax)		-	-	-	-15.27	-15.27
Balance as of 31 March 2020		**4,758.30**	**-3,030.61**	**29.09**	**211.47**	**1,968.26**

The notes referred to above form an integral part of the financial statements.

As per our report of even date

For MSKA & Associates (Formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad, INDIA
Date: May 06, 2020

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

S. Ramakrishnan

Rajesh Kharidehal
Director
DIN: 08472077

Subramanian Ramakrishnan
Director
DIN: 03522114

Monster.com (India) Private Limited

(Amount in INR lakhs, unless stated otherwise)

Statement of Cash Flows	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities		
Profit/(Loss) before tax	-3,172.96	-1,381.97
Adjustments for:		
Depreciation and amortisation expenses	803.98	250.99
Unrealised Foreign Exchange loss/(gain) (net)	-14.98	57.52
Liabilities no longer required written back	-	-7.15
Impairment loss allowance on financial assets (net)	418.23	325.64
Interest income	-6.66	-122.86
(Profit)/Loss on Sale of Assets	14.75	-
Impact of amortisation of financial asset	27.60	34.66
Finance Cost	231.71	-
Other adjustments	-19.70	-10.44
Impact of remeasurement of defined benefits obligation to OCI	-15.27	23.65
Operating cash flows before working capital changes	-1,733.31	-829.96
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Trade and other receivables	1,059.59	-237.51
Current loans & Other current assets	-181.25	-315.71
Non-current loans & other non-current assets	63.52	192.24
Adjustments for increase/(decrease) in operating liabilities:		
Non-current provisions	-66.03	-133.13
Changes in loans, other financial liabilities and other liabilities	-	-2,137.35
Trade payables	156.68	225.56
Other current liabilities	-1,700.39	425.92
Current provisions	1.21	4.46
Cash generated from operating activities	-2,399.98	-2,805.49
Income taxes paid (net)	176.07	-429.05
Net cash provided by/ (used in) operating activities (A)	-2,223.92	-3,234.54
Cash flows from investing activities		
Acquisition of property, plant and equipment	-250.49	-683.80
Proceeds from sale of property, plant and equipment	4.25	-
Proceeds from sale of investment in subsidiaries	-	-
Interest received	5.87	140.66
Net cash used in investing activities (B)	-240.37	-543.14
Cash flows from financing activities		
Proceeds from issuance of CCDs	2,398.46	-
Proceeds from short term borrowings	600.00	-
Interest paid	-43.76	-
Net cash provided by financing activities (C)	**2,954.70**	-
Net increase in cash and bank balances (A+B+C)	**490.42**	**-3,777.68**
Cash and bank balances at the beginning of the year	367.41	4,145.09
Cash and cash equivalents acquired on amalgamation		
Effects of exchange differences on translation of foreign currency cash and cash equivalents		
Cash and bank balances at the end of the year (refer note 10 & 11)	**857.83**	**367.41**

The notes referred to above form an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad, INDIA
Date: May 06, 2020

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

Rajesh Kharidehal
Director
DIN: 08472077

Subramanian Ramakrishnan
Director
DIN: 03522114

Monster.com (India) Private Limited

Notes to the Financial Statements for the year ended March 31, 2020
(Amount in INR Lakhs, unless otherwise stated)

1 Corporate Information/Background:

Monster.com (India) Private Limited ("the company") is a private limited company registered under the Indian Companies Act, 1956. The company provides online recruitment solutions through its various job portals. It provides the internet based (online) e-recruitment solutions by connecting employers with right job seekers at all levels and also provides personalized career services to job seekers. For employers, the company's goal is to provide the most effective solutions and easy to use technology to simplify the hiring process and cost effectively deliver access to the community of job seekers. For job seekers, the company's purpose is to help improve their careers by providing work-related content, services and advice.

The company's services and solutions include searchable job advertisements, access to Job seeker resume database, recruitment media solutions through our advertising network and partnerships and other career-related content. Job seekers can search our job advertisements and post their resumes for free on each of our career websites and mobile applications. Employers pay to advertise available jobs and recruitment related services, search our resume database and access other career-related services. The recruitment solutions to employers are mostly in the nature of payment of subscription fee for an agreed tenure. The company is conducting its operations in India, Gulf region and Philippines. The company is having three foreign branch offices in Dubai (UAE) & Riyadh (Kingdom of Saudi Arabia) catering to operations in Gulf/Middle east region and one foreign branch office in Manila (Philippines) catering to Philippines operations.

Further, Company is also engaged in providing low end tele-marketing call center services (BPO activity) and providing management services to its associated parties situated in the Singapore and Malaysia in small scale; and providing Internet advertisement services.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(a) **Statement of Compliance with Ind AS**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Effective 1 April 2016, the Company has adopted all the Ind AS standards and the first time adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards with April 1, 2016 as the transition date.

The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the Previous GAAP and an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the company is provided in Note 43.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) **Basis of measurement**

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)

ii) Asset classified as held for sale

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

(c) **Use of estimates & judgements**

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Income taxes: Significant judgments are involved in determining the reversal of deferred tax assets based on the probability of carryforward of losses.

ii) Measurement of defined benefit obligations: The cost of the defined benefit obligations are based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. All assumptions are reviewed on a periodic basis.

iii) Impairment of financial assets: The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost.

iv) Property, plant and equipment: : The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

v) Other estimates: The impairment of non-financial assets involves key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets.

2.2 Fixed Assets

A. Property, plant and equipment

(i) Recognition and Measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.

Subsequent expenditures relating to property, plant and equipment is capitalized 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. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

(ii) Depreciation

Depreciation is provided on a Straight Line Method ('SLM') over estimated useful lives of the property, plant and equipment as estimated by the Management and is generally recognized in the statement of profit and loss. The management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence , the useful lives for some of these assets is different from the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013.

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Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of). The Company has estimated the useful lives for property, plant and equipment as follows:

Asset Category	Useful life (in years)
Furniture & Fixtures	10
Vehicle	3
Office Equipment	
Cell Phones	3
Other Office Equipment	5
Computer Equipment	
Computers & Data processing units (Servers and Netw	6
Computers & Data processing units (Desktops & Lapto	3
Electrical & Office Equipment	10

* Leasehold improvements are amortized over the lease term or estimated useful life of the asset whichever is lower.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed periodically, including at each financial year end and adjusted if appropriate.

B. Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

(i) Recognition and Measurement

a) Internally generated: Research and development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group 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 the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

b) Others

Other intangible assets such as computer software, copyright and trademarks are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated software is recognised in the Statement of Profit and Loss as and when incurred.

(iii) Amortisation

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

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

Intangible assets	Useful life
Intangible assets developed internally	
- Computer Software	5 - 6 years
- IP Technology	3 years
Computer Software	3 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.3 Foreign Currency Transactions

(a) Functional and presentation currency

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

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.4 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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 accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

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

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.5 Revenue Recognition

Revenue from Services

Effective April 1, 2018, the Company has adopted IndAS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration it expects to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts are recognised as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation. Certain arrangements are on time and material basis and are recognised as the services are performed as per the terms of the arrangement with the customer.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

Revenue recognized in excess of billing are classified as contract assets (referred to as "Unbilled revenue"); while, billing in excess of revenue recognized is classified as contract liabilities (referred to as "Unearned/Unmatured revenues").

► Revenue from Online Recruitment Services where the terms of transaction provide for licensing the product on a subscription basis, revenue is recognized evenly over the contract / subscription period on a straight-line basis. Substantially all services are provided on a contracted price basis.

► Revenue from Business Process Outsourcing (BPO) services is recognized on time and material basis on rendering of related services as per the terms of the contract. The services are provided on cost plus mark up basis.

► Revenue from Internet Advertisement/media work services is recognised as and when services are rendered as per the terms of the contract and the collectability is reasonably assured.

'Unearned/unmatured revenues' are included in other current liabilities.

Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

However, in case of interest income from short term financial assets such as term deposits, Interest income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Note: In case of interest income that may raise on refunds due from statutory authorities, income is recognised in the year of actual receipt of such interest on cash basis.

2.6 Taxes

Tax expense for the year, comprising current and deferred tax, are included in the determination of the net profit or loss for the year. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(c) Tax expense relating to foreign branches

The amount of tax whatever name be called, that has been levied on income earned by branches outside of India, to the extent does not qualify for tax relief benefit under a particular double tax avoidance agreement or other or by any other reason that cannot be setoff with taxes payable in India, the same are charged to profit and loss account.

2.7 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

► The appropriate level of management is committed to a plan to sell the asset (or disposal group),

► An active programmed to locate a buyer and complete the plan has been initiated (if applicable),

► The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

► The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and

► Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.8 Leases

As a lessee

Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The group has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The group's lease asset classes primarily consist of Land and Building. The group assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate (As at 1 April 2019 - 9.5%)

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to

Short-term leases and leases of low-value assets:

The Company has elected not to recognize right-of-use assets and liabilities for short-term leases of INR 100,000 that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Practical expedients adopted on initial recognition:

1. The agreements maturing within 12 months from the initial application of Ind AS 116, are not considered.
2. Single discount rate is applied to a portfolio of leases with reasonably similar characteristics on the date of initial application.
3. Value of initial direct costs (such as Stamp Duty, registration costs etc. already paid) excluded from the measurement of ROUA.

2.9 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset’s carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

2.10 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only 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 arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.13 Financial instruments

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

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

a) at amortized cost; or

b) at fair value through other comprehensive income (FVTOCI); or

c) at fair value through profit or loss (FVTPL).

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

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

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

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 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 AS103 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 profit and loss

(iii) 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 on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL. However, in case of trade receivables, in line with group policy, ECL measured at past 6 quarter average is used subject to any other estimate as deemed appropriate by the management.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

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 shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) 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.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 180 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as expense/income in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

In addition to ECL, managaement also ealuating receivables at each level for credit risk and may consider same for impairment of such financial asset in full or part thereof.

The loss allowance for expected credit losses on the financial assets is considered at higher of ECL Model or Management estimate.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

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

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

(ii) 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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized 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 recognized in the Statement of Profit and Loss as finance costs.

(c) Offsetting financial instruments

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

2.14 Employee Benefits

(a) **Short-term obligations**

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

(b) **Other long-term employee benefit obligations**

(i) **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) **Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: The company had compesated absences which are vested and unfunded, which are treated earned leaves that are encashable till March 31, 2018. Effective from April 1, 2018 Company has adopted new compenses abnsesces policy, where in the leaves are unvsted and eligible for caryyforwad but not encashable.

The Accumulated compensated absences under the old policy will continue to be trated as such and can be encased at the time of retirement/ sepatation subjected to available leave balance after setoff leaves utilized from such accumulation.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

The employees are entitled for 20 days leave during the calendar year, which can be accumulated up to 20 days. The company provides for the liability at year end on account of unavailed leave as per the actuarial valuation using the Projected Unit Credit Method with estimated average leave availment rate.

2.15 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. The Company’s operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Unallocated items include general corporate income and expense items, which are not allocated to any business

2.18 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs as per requirement of Schedule III of the Act, unless otherwise stated.

3 (a) Property, plant and equipment

(Amount in INR lakhs, unless stated otherwise)

Particulars	Leasehold improvements	Furniture and fixtures	Vehicles	ROU - Buildings	Electrical & Office Equipment	Computer equipment	Total
Balance as at March 31, 2018	**101.12**	**84.66**	**0.04**	**-**	**267.99**	**592.29**	**1,046.10**
Additions during the year	9.82	0.49	-	-	64.17	61.01	135.50
Disposals for the year	-	-	-	-	0.50	-	0.50
Balance as at March 31, 2019	**110.95**	**85.15**	**0.04**	**-**	**331.66**	**653.30**	**1,181.10**
Additions during the year		-	-	**1,787.29**	**4.98**	**66.30**	1,858.58
Disposals for the year	101.12	78.89	-	**88.61**	220.10	31.31	520.03
Balance as at March 31, 2020	**9.82**	**6.27**	**0.04**	**1,698.68**	**116.54**	**688.29**	**2,519.64**
Accumulated depreciation*							
Balance at April 1, 2018	**41.60**	**24.64**	**-**	**-**	**138.13**	**290.69**	**495.06**
Depreciation for the year	23.63	10.89	-	-	68.07	126.63	229.22
Accumulated depreciation on deletior	-	-	-	-	0.33	-	0.33
Balance as at March 31, 2019	**65.22**	**35.53**	**-**	**-**	**205.88**	**417.32**	**723.95**
Depreciation for the year	32.92	41.42	-	396.86	**81.02**	**136.18**	688.40
Accumulated depreciation on deletior	91.06	72.97	-	27.27	**215.89**	**32.47**	439.65
Balance as at March 31, 2020	**7.08**	**3.99**	**-**	**369.60**	**71.00**	**521.03**	**972.70**
Net carrying amount							
As at March 31, 2020	**2.74**	**2.28**	**0.04**	**1,329.08**	**45.54**	**167.26**	**1,546.94**
As at March 31, 2019	**45.72**	**49.62**	**0.04**	**-**	**125.78**	**235.98**	**457.15**

3 (b) Other intangible assets

(Amount in INR lakhs, unless stated otherwise)

Particulars	Internally Developed Software	Other software	Total	Intangible assets under development
Balance at April 1, 2018	**-**	**-**	**-**	**-**
Additions during the year	-	99.77	99.77	448.53
Disposals for the year	-	-	-	-
Balance as at March 31, 2019	**-**	**99.77**	**99.77**	**448.53**
Additions during the year	510.53	-	510.53	172.65
Disposals/Transfer for the year	-	-	-	510.53
Balance as at March 31, 2020	**510.53**	**99.77**	**610.30**	**110.65**
Accumulated depreciation				
Balance at April 1, 2018	**-**	**-**	**-**	**-**
Depreciation for the year	-	21.77	21.77	-
Accumulated depreciation on deletior	-	-	-	-
Balance as at March 31, 2019	**-**	**21.77**	**21.77**	**-**
Depreciation for the year	**76.58**	**39.00**	115.58	-
Accumulated depreciation on deletior	-	-	-	-
Balance as at March 31, 2020	**76.58**	**60.77**	**137.35**	**-**
Net carrying amount				
As at March 31, 2020	**433.95**	**39.00**	**472.95**	**110.65**
As at March 31, 2019	**-**	**77.99**	**77.99**	**448.53**

* There has been no impairment losses recognised during the year or previous year.

4. Non-current loans

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security deposits	150.48	223.32
	150.48	**223.32**

5. Other non-current financial assets

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Bank deposits (due to mature after 12 months from the reporting date)	16.74	16.74
	16.74	**16.74**

6. Taxes

A Amount recognised in profit or loss

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax:		
In respect of the current year	-	-
-Tax expense of foreign branches	-39.43	-22.71
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	-	1,134.28
Increase/ reduction of tax rate	-	-
Income tax expense reported in the Statement of profit and loss	**-39.43**	**1,111.57**

B Income tax recognised in other comprehensive income

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Remeasurement of the net defined benefit liability/ asset		
Before tax	20.12	23.65
Tax (expense)/ benefit	-35.40	35.40
Net of tax	**-15.27**	**59.05**

C Reconciliation of effective tax rate

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	-3,172.96	-1,381.97
Carry forward of losses for the year	3,172.96	1,381.97
Taxable Profit	-	-
Tax rate	22.00%	26.00%
Taxable amount	-	-
Effect of:		
Tax exempt income	-	-
Non-deductible expenses	-	-
Effective tax rate	**0.00%**	**0.00%**

(This space has been intentionally left blank)

D The following table provides the details of income tax assets and income tax liabilities

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax assets (net)	2,695.30	2,910.82
Income tax liabilities (net)	-	-
Net income tax asset at the end of the year	**2,695.30**	**2,910.82**

E Deferred tax assets, net

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset:		
Impairment loss allowance on financial assets	75.29	59.83
Provision for employee benefits	116.64	101.99
Difference of Depreciation provided for in the books	90.71	90.71
Others	-30.10	35.41
Carried forward business losses	881.73	881.73
Deferred tax liabilities:		
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax	-	-
Net deferred tax assets	**1,134.28**	**1,169.67**

F Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in INR lakhs, unless stated otherwise)

For the year ended 31 March 2020	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Gross deferred tax liability	**-**	**-**	**-**	**-**
Deferred tax assets on:				
Impairment loss allowance on financial assets	59.83	-	-	59.83
Provision for employee benefits	101.99	-	-	101.99
Carried forward business losses	881.73	-	-	881.73
Difference of Depreciation provided for in the books	90.71	-	-	90.71
Othes	35.41	-	-35.40	0.01
Gross deferred tax assets	**1,169.67**	**-**	**-35.40**	**1,134.28**
Net deferred tax assets	**1,169.67**	**-**	**-35.40**	**1,134.28**

(Amount in INR lakhs, unless stated otherwise)

For the year ended 31 March 2019	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Gross deferred tax liability	**-**	**-**	**-**	**-**
Deferred tax assets on:				
Impairment loss allowance on financial assets	-	59.83	-	59.83
Provision for employee benefits	-	101.99	-	101.99
Carried forward business losses	-	881.73	-	881.73
Difference of Depreciation provided for in the books	-	90.71	-	90.71
Othes	-	-	35.41	35.41
Gross deferred tax assets	**-**	**1,134.27**	**35.41**	**1,169.67**
Net deferred tax assets	**-**	**1,134.27**	**35.41**	**1,169.67**

Monster.com (India) Private Limited

Notes to the financial statements for the year ended March 31, 2020

7. Income tax assets (net)

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax Receivable	2,695.30	2,910.82
	2,695.30	**2,910.82**

8. Other non current assets

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	43.61	2.20
	43.61	**2.20**

9. Trade and other receivables

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured		
Considered good	2,683.08	4,152.59
Considered doubtful	299.17	230.12
	2,982.25	**4,382.71**
Loss allowance (refer note 32(i))		
Unsecured considered good	-	-
Doubtful	-299.17	-230.12
	-299.17	**-230.12**
Other Receivables		
Other Receivables	10.88	11.52
Net trade receivables	**2,693.96**	**4,164.11**

All trade receivables are current.

Of the above, trade receivables from related parties are

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables from related parties	4.77	449.55
Less: loss allowance	-	-
Net trade receivables	**4.77**	**449.55**

10. Cash and cash equivalents

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
In current accounts	802.03	299.05
In EEFC Accounts	39.66	53.06
In deposit accounts (with original maturity of less than 3 months)	-	-
Cash and cash equivalents	**841.69**	**352.12**
Bank overdraft used for cash management purpose	-	-
Cash and cash equivalents in the statement of cash flow	**841.69**	**352.12**

11. Bank balances other than cash and cash equivalents above

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
In deposit accounts (due to mature within 12 months from the reporting date)	16.14	15.30
	16.14	**15.30**

12. Current loans

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Advance given to employees	11.73	33.84
	11.73	**33.84**

13. Other current financial assets

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due	7.89	7.10
	7.89	**7.10**

14. Other current assets

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	399.81	441.50
Advances to creditors	4.50	180.20
Balances with government authorities (GST/VAT receivable)	1,460.29	1,039.51
	1,864.61	**1,661.21**

15. Equity share capital

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
50,000 (March 31, 2019: 50,000) equity shares of par value of INR 10 each	5.00	5.00
	5.00	**5.00**
300,000 5% Non-Cumulative Optional Convertible Redeemable Preference Shares of INR 10 each	30.00	30.00
	30.00	**30.00**
Issued, subscribed and paid-up		
50,000 (March 31, 2019: 50,000) equity shares of par value of INR 10 each, fully paid up	5.00	5.00
	5.00	**5.00**

15.1. Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount in INR lakhs	Number of shares	Amount in INR lakhs
Equity shares				
At the commencement of the year	50,000	5.00	50,000	5.00
Shares issued during the year	-	-	-	-
At the end of the year	**50,000**	**5.00**	**50,000**	**5.00**

15.2. Rights, preferences and restrictions attached to shares

A) Equity shares

The company has one class of equity shares having a par value of INR 10 per share. Each share holder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the current year, the amount of per share dividend recognized as distributions to equity shareholders was Nil (Previous year - Nil). In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

B) Preference shares

Redemption of Preference Shares: During the year 2014-15, Company has redeemed 290,875 fully paid 5% Non Cummulative OCRPS at par value of INR 10/- each due to expiry of 5 years from the date of issue thereof. Preference shares are redeemed at INR 2,908,750 from the accumulated profits of the company.

15.3. Shares held by holding company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount in INR lakhs	Number of shares	Amount in INR lakhs
Equity shares				
Equity shares of par value INR 10 each				
- Quess Corp Limited	49,994	5.00	49,994	5.00
	49,994	**5.00**	**49,994**	**5.00**

15.4. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value INR 10 each				
- Quess Corp Limited	49,994	99.988%	49,994	99.988%
	49,994	**99.988%**	**49,994**	**99.988%**

16. Instruments entirely equity in nature

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Issued		
Compulsorily convertible Debentures		
6,942 (March 31, 2019: Nil) Compulsorily convertible Debentures of par value of INR 10 each, fully paid up	0.69	-
	0.69	**-**

16.1. Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount in INR lakhs	Number of shares	Amount in INR lakhs
Compulsorily Convertible Debentures				
At the commencement of the year	-	-	-	-
Shares issued during the year	6,942	0.69	-	-
At the end of the year	**6,942**	**0.69**	**-**	**-**

16.2. Rights, preferences and restrictions attached to shares

Compulsory Convertiable Debentures:

The Company has one class of compulsorily convertible debentures (CCDs) of INR 10 per CCD. These CCDs are unsecured and carry a discretionary coupon of 10% per annum. The CCDs shall have a tenure of 10 years from the date of issue. The holder of these CCDs shall have the right to convert any or all of the CCDs, any time during the tenure of CCDs. CCDs outstanding at the end of the tenure shall be automatically be converted into Equity shares of the Company. The conversion ratio of these CCDs is one fully paid-up equity share having a face value of INR 10 for every compulsorily convertible debenture having a face value of INR 10.

The CCDs were issued to Quess Corp Limited, the holding company at premium on 24-Sep-2019 and shall be convertible to Equity shares of the Company during any time on or before the end of the tenure.

17. Other equity*

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium account (refer note 17.1)	4,758.30	2,360.54
Capital redemption reserve account (refer note 17.2)	29.09	29.09
Retained earnings	-3,030.62	181.77
Other comprehensive income (refer note 17.3)	211.47	226.75
	1,968.25	**2,798.15**

17.1. Securities premium account

a) Security premium on issuance of Preference Shares

Pursuant to the approved scheme of amalgamation effected from Apr 1, 2005 between Monster.com (India) Private Limited and Webneuron Services Limited, the accounting for amalgamation under pooling of interest method recorded was with securities premium of ₹. 236,053,729 along with carrying value of all the assets, liabilities of the transferor company.

b) Security premium on issuance of Compulsorily Convertible Debentures

The Compulsorily Convertible Debentures were issued on 24-Sep-2019 with premium as per fair valuation of the

17.2. Capital redemption reserve account

During the year 2014-15, the company has redeemed 290,875 preference shares of Rs. 10/- each fully paid. The redemption was carried out of accumulated profits of the company at the face value of ₹. 2,908,750. Accordingly, the value of redemption has been transferred from accumulated distributable profits to Capital redemption reserve.

17.3. Other comprehensive income

Remeasurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income).

* For detailed movement of reserves refer Statement of changes in Equity.

17.4. Dividend

The Company has not declared any dividend during the current year.

18. Other non-current financial liabilities

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current lease liability	1,055.73	-
	1,055.73	**-**

19. Non-current provisions

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for gratuity (Refer Note No.44) (Unfunded)	357.71	394.74
Provision for compensated absences (Unfunded & Vested) (Refer Note No.44)	67.53	95.45
Provision for compensated absences (Unfunded & Unvested) (Refer Note No.44)	21.77	22.84
	447.00	**513.03**

20. Current borrowings

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Working capital loan from bank repayable on demand	600.00	-
	600.00	**-**

This comprises of short tem borrowing payable on demad with hypothication of book debts and other moveable assets of the company and backed with corpoarate guarantee.

21. Trade payables

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Dues to micro, small and medium enterprise (Refer Note No. 41)	-	-
Trade payables to related parties	352.18	67.42
Other trade payables	839.65	935.20
	1,191.83	**1,002.62**

22. Other current financial liabilities

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Employee Payables	674.60	754.17
Capital creditors	-	3.57
Interest payable accrued but not due	4.20	-
Lease liability	363.17	-
	1,041.97	**757.74**

23. Current provisions

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for gratuity (Refer Note No.44) (Unfunded)	8.42	5.94
Provision for compensated absences (Unfunded & Vested) (Refer Note No.44)	1.96	1.61
Provision for compensated absences (Unfunded & Unvested) (Refer Note No.44)	6.05	7.84
	16.43	**15.39**

24. Other current liabilities

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances payable to government authorities	115.99	257.12
Advance received from customers	41.01	18.18
Unearned Revenue *	3,237.50	4,339.73
Provision for rent equalisation	-	22.07
Provision for expenses	1,885.58	1,811.07
	5,280.08	**6,448.17**

* Unearned revenue represents the billing in excess of revenue recognized to the extent of unexpired period of the service contract (i.e., billing value corresponding to unexpired portion of the subscription/contract period for which services are yet to be availed by customers).

25. Revenue from Contracts with customers

(i) Disaggregation of revenue

Revenue disaggregation as per segment and geography has been included in segment information (Refer note 43).

(ii) Trade Receivables and Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Receivables, which are included in 'Trade and other receivables'	2,678.31	3,703.04
Contract assets	-	-
Contract liabilities	3,237.50	4,339.73

The unbilled revenue (contract assets) primarily relate to the company's right to consideration for work completed but not billed at the reporting date.The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unearned revenue (contract liabilities) balances of Recruitment Services & Internet Advertisement Fee Services.

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	4,339.73	4,359.49
Add: Billing made during the period (including Distribution Services)	9,364.37	12,257.78
Less: Revenue recognized during the period	-9,814.91	-11,688.84
Less: Contracts suspended due to uncertainity in ultimate collection	-651.68	-588.70
Closing Balance	3,237.50	4,339.73

26. Revenue from operations

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Revenue from Services (net of tax):		
- Income from Recruitment and Distribution Services	9,685.98	11,256.47
- Income from BPO Operations	1,068.67	1,408.41
- Income from Internet Advertisement Fee [IAF]	128.93	432.37
	10,883.58	**13,097.25**

27. Other income

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Interest income on fixed deposits	6.66	122.86
Interest income on present valuation of financial instruments	59.70	10.44
Exchange fluctuation gain (net)	105.23	204.98
Income from sublet of office premises to subsidaries	30.96	-
Liabilities no longer required written back	0.16	-
Sundry Balances written back	7.05	7.21
Interest on other deposits	-	1.22
	209.76	**346.71**

28. Employee benefit expenses

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2020	**March 31, 2019**
Salaries and wages	5,955.84	5,015.42
Contribution to provident and other funds	110.72	152.51
Expenses related to defined benefit plans (gratuity) (refer Note 44)	109.58	107.18
Expenses related to compensated absences (refer Note 44)	12.93	28.47
Staff welfare expenses	114.16	127.99
	6,303.23	**5,431.57**

29. Finance costs

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2020	**March 31, 2019**
Interest expense	10.08	2.22
Interest on short term loans	95.64	-
Interest expense on leases	129.82	-
Bank & Gateway charges	69.52	85.00
Other borrowing costs	6.25	-
	311.31	**87.22**

30. Other expenses

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2020	**March 31, 2019**
Rent	185.91	587.24
Power and fuel	102.38	176.54
Repairs & maintenance		
- buildings	105.69	162.54
- plant and machinery	277.22	284.79
- others	23.21	28.35
Legal and professional fees	231.79	207.29
Remuneration to Auditors	19.00	15.35
Rates and taxes	23.29	22.14
Printing and stationery	18.64	29.10
Travelling and conveyance	174.72	277.98
Communication expenses	1,032.23	1,086.35
Impairment loss allowance on trade receivables (net)	418.23	325.64
Insurance	2.83	6.82
Login expenses	139.55	131.38
Loss on sale of fixed assets, net	14.75	-
Expenditure on corporate social responsibility	-	2.15
Miscellaneous expenses	1.60	14.78
	2,771.02	**3,358.44**

30.1. **Remuneration to auditors (net of tax)**

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2020	**March 31, 2019**
Statutory audit fees	14.00	10.00
Tax audit fees	2.00	2.00
Others Services	3.00	3.35
	19.00	**15.35**

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30.2. **Details of CSR expenditure**

As per Section 135 of the Companies Act, 2013, any Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility ("CSR") activities. The areas for CSR activities are outlined in the CSR policy and CSR activities if any are review by a CSR committee formed by the Company as per the Act. As per calculation of CSR spent for the year FY 2019-20 u/s 135, the amount to be spent by the company is NIL.

As per the consecutive losses of the company, the company is not required to spend any amount towards CSR. Thus, no amount has been earmarked for the year and no amount has been charged to the statement of profit and loss.

(a) Gross amount qualify to be spent during financial year 2019-20 - NIL (Previous Year: Nil)

(b) Amount spent during the financial year 2019-20 - NIL (Previous year: INR 215,000)

(c) Amount spent during the financial year 2019-20 from brought forward of previous years - NIL

(d) Total amount spent in cash during the financial year 2019-20 is NIL

Particulars	**For the year ended**	
	March 31, 2020	**March 31, 2019**
Gross amount required to be spent:		
i. Construction/acquisition of any asset	-	-
- Under control of the company for future use		
- Not under control of the Company for future use		
ii. On purpose other than (i) above	-	2.50
	-	**2.50**
b) Amount spent during the year		
- In cash	-	2.50
- Yet to be paid in cash	-	-
Total	**-**	**2.50**

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31. Financial instruments - fair value and risk management

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

(Amount in INR lakhs, unless stated otherwise)

Particulars	Carrying amount	Fair value		
	March 31, 2020	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	162.22	-	-	-
Trade receivables	2,693.96	-	-	-
Cash and cash equivalents including other bank balances	857.83	-	-	-
Other financial assets	24.63	-	-	-
Total financial assets	**3,738.64**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Borrowings	600.00	-	-	-
Trade payables	1,191.83	-	-	-
Other financial liabilities	2,097.69	-	-	-
Total financial liabilities	**3,889.52**	**-**	**-**	**-**

Particulars	Carrying amount	Fair value		
	March 31, 2019	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	257.16	-	-	-
Trade receivables	4,164.11	-	-	-
Cash and cash equivalents including other bank balances	367.41	-	-	-
Other financial assets	23.84	-	-	-
Total financial assets	**4,812.52**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Trade payables	1,002.62	-	-	-
Other financial liabilities	757.74	-	-	-
Total financial liabilities	**1,760.35**	**-**	**-**	**-**

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference securities, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference securities and non convertible debentures included in level 3.

Fair valuation method

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

A. Financial Assets:

Loans, Trade receivables, Cash and cash equivalents and other assets: Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B. Financial Liabilities:

Borrowings, Trade payables and other liabilities: Fair values of borrowings, trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

32. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk.

Risk management framework

The Company’s Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Board oversees how management monitors compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

i) Credit risk

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company has established a credit policy under which each new customer is verified individually for credit period before the Company's payment and delivery terms and conditions are offered. The Company's review includes ratings, if they are available, financial statements, credit information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment received from each contracted customer is possible minimum credit period, which is unique for each customer. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 31 March 2020 and 31 March 2019 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers.

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 180 days past due. Loss rates are based on actual credit loss experience over the last six quarters.

These rates have been adjusted to reflect the management's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:

(Amount in INR lakhs, unless stated otherwise)

Particulars	March 31, 2020	March 31, 2019
Provision under Expected Credit Loss method using Credit Loss Rate percentage (A)	99.22	23.69
Provision as per management estimate	299.17	230.12
Actual Provision (Higher of A or B)	299.17	230.12

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As at March 31, 2020

(Amount in INR lakhs, unless stated otherwise)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	2,272.91	0.33%	7.49	No	2,265.43
Past due 1–90 days	487.45	3.57%	17.39	No	470.06
Past due 91–180 days	62.56	20.66%	12.93	No	49.64
Past due 181–270 days	16.99	51.33%	8.72	No	8.27
Past due 271 - 360 days	11.64	92.20%	10.73	No	0.91
Above 360 days	41.97	100.00%	41.97	No	0.00
	2,893.52		**99.22**		**2,794.30**

As at March 31, 2019

(Amount in INR lakhs, unless stated otherwise)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	3,346.45	0.03%	0.92	No	3,345.52
Past due 1–90 days	926.56	0.43%	3.99	No	922.57
Past due 91–180 days	62.37	3.03%	1.89	No	60.48
Past due 181–270 days	29.88	10.96%	3.28	No	26.61
Past due 271 - 360 days	21.73	29.44%	6.40	No	15.33
Above 360 days	7.22	100.00%	7.22	No	-
	4,394.21		**23.69**		**4,370.51**

Movement in allowance for impairment in respect of trade receivables:

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the year	230.12	153.30
Impairment loss allowances recognised	418.23	325.64
Bad Debt Written off	-349.18	-248.82
Balance as at the end of the year	**299.17**	**230.12**

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually, the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 and March 31, 2019. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

(Amount in INR lakhs, unless stated otherwise)

Particulars	Carrying amount	Contractual cash flows 0-1 years	1-2 years	2-5 years	5 years and above
As at March 31, 2020					
Borrowings	600.00	600.00	-	-	-
Trade payables	1,191.83	1,191.83	-	-	-
Other financial liabilities	2,097.69	1,041.97	808.96	416.79	-
As at March 31, 2019					
Borrowings	-	-			-
Trade payables	1,002.62	1,002.62	-	-	-
Other financial liabilities	757.74	757.74	-	-	-

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Company.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to management is as follows:

INR lakhs, unless stated otherwise)

Particulars	Currency	As at March 31, 2020 Foreign currency*	As at March 31, 2020 Amount	As at March 31, 2019 Foreign currency*	As at March 31, 2019 Amount
Trade receivables	SGD	-	-	780,106	398.15
	PHP	15,995,981	235.22	13,639,442	179.81
	USD	1,168,666	828.02	1,724,028	1,192.25
	GBP	1,453	1.27	-	-
Trade payables	SGD	66,395	35.21	-	-
	PHP	119,948	1.76	909,801	11.99
	USD	751,318	568.48	76,407	52.84
	MYR	1,426,960	249.94	82,261	13.93
	HKD	343,846	33.56	199,031	17.53
	SAR	19,522	3.93	25,629	4.73
	AED	32,686	6.73	142,402	26.81
	EUR	10,080	8.34	-	-

*Foreign currency values are absolute values and not rounded off to lakhs.

The following significant exchange rates have been applied

Currency	Year end spot rate March 31, 2020	Year end spot rate March 31, 2019
SGD/INR	53.03	51.04
PHP/INR	1.47	1.32
USD/INR	75.67	69.16
MYR/INR	17.52	16.94
HKD/INR	9.76	8.81
SAR/INR	20.15	18.44
AED/INR	20.60	18.83

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against INR at March 31, 2020 and March 31, 2019 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain

(Amount in INR lakhs, unless stated otherwise)

Particulars	Profit and loss		Equity, net of tax	
	Strengthenin	Weakening	Strengthening	Weakening
March 31, 2020				
SGD(4%)	-1.41	1.41	-1.41	1.41
PHP(5%)	11.67	-11.67	11.67	-11.67
USD(5%)	15.79	-15.79	15.79	-15.79
MYR(3%)	-7.50	7.50	-7.50	7.50
HKD(5%)	-1.68	1.68	-1.68	1.68
AED(5%)	-0.34	0.34	-0.34	0.34
March 31, 2019				
SGD(4%)	15.93	-15.93	15.93	-15.93
PHP(5%)	8.39	-8.39	8.39	-8.39
USD(5%)	56.97	-56.97	56.97	-56.97
MYR(3%)	-0.42	0.42	-0.42	0.42
HKD(3%)	-0.53	0.53	-0.53	0.53
SAR(2%)	-0.09	0.09	-0.09	0.09
AED(2%)	-0.54	0.54	-0.54	0.54

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has MCLR linked interest rate applicable on the short term borrowings.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

INR lakhs, unless stated otherwise)

Particulars	As at	
	31 March 2020	31 March 2019
Variable rate borrowings	600.00	-
Fixed rate borrowings	-	-
Total borrowings	**600.00**	**-**

(b) Sensitivity

INR lakhs, unless stated otherwise)

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
March 31, 2020				
Variable rate borrowings	6.00	-6.00	6.00	-6.00

33. Capital management

The Company’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company’s objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure of the company consists of equity attributable to equity holders, comprising issued capital and retained

34. Capital commitments

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	-	-
Estimated amount of contracts remaining to be executed on non-capital account not provided for, net of advances	-	-

35. Contingent liabilities and commitment (to the extent not provided for)

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Customer case pending against the company	-	-
b) Claims against the Company not acknowledged as debt	-	-
c) Income tax assessment	-	-

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36. Earnings per share

(Amount in INR lakhs except number of shares and per share data)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Nominal value of equity shares (INR 10 per share)	10	10
Net Loss after tax for the purpose of earnings per share (INR in lakhs)	-3,212.40	-270.41
Weighted average number of shares used in computing basic earnings per share	50,000	50,000
Basic earnings per share (INR)	**-6,424.79**	**-540.82**
Weighted average number of shares used in computing diluted earnings per share	50,000	50,000
Diluted earnings per share (INR)	**-6,424.79**	**-540.82**

Computation of weighted average number of shares

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Number of equity shares outstanding at beginning of the year	50,000	50,000
Add: Weighted average number of equity shares issued during the year	-	-
Weighted average number of shares outstanding at the end of the year for computing basic earnings per share	50,000	50,000
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	50,000	50,000

37. Earnings in foreign currency (Receipt Basis)

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Receipts from Operations	4,896.99	4,346.31

38. Expenditure in foreign currency (invoice basis)

(Amount in INR lakhs)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Business promotion expenses	96.40	128.05
Legal and Professional charges	3.92	4.94
Internet Infrastructure Services	588.80	627.15
Other Operating expenses	92.81	80.08
Expenses incurred by Foreign Branches	283.07	429.61

39. Lease liability

Particulars	As at March 31, 2020	As at March 31, 2019
Current lease liability	363.17	-
Non-current lease liability	1,055.73	
Total	**1,418.90**	**(Amount in INR**

Movement in lease liabilities:

Particulars	As at March 31, 2020	As at March 31, 2019
Operating lease recognised on adoption of Ind AS 116	863.3	-
Add: Additions	937.8	-
Less: Deletion	-62.3	-
Add: Finance cost accrued during the period	129.8	-
Less: Payment of lease obligation	-449.8	-
Carrying amount as at 31 March 2020	1,418.9	-

Amount recognised in Profit & Loss Account

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Interest expense (included in finance cost)	128.9	-
Expenses relating to short-term lease (included in other expenses)	124.6	-
Expenses relating to lease of low value assets that are not included above	-	-
	253.5	-

40. Related party disclosures

(i) Name of related parties and description of relationship:

- Holding Company	Quess Corp Limited, India
- Entities under common control	MFX Infotech Private Limited
	Brainhunter Systems Ltd.
	Mindwire Systems Limited
	Quess (Philippines) Corp.
	Quess Corp (USA) Inc.
	Quesscorp Holdings Pte. Ltd.
	Quess Corp Vietnam LLC
	Quessglobal (Malaysia) Sdn Bhd
	Quess Corp Lanka (Private) Limited
	Comtel Solutions Pte. Ltd.
	Dependo Logistics Solutions Private Limited
	Excelus Learning Solutions Private Limited
	Conneqt Business Solution Limited
	Vedang Cellular Services Private Limited
	Golden Star Facilities and Services Private Limited
	Comtelpro Pte. Limited.
	Comtelink Sdn. Bhd
	Monster.com.SG PTE Limited
	Monster.com HK Limited
	Agensi Pekerjaan Monster Malaysia Sdn Bhd
	Quesscorp Management Consultancies
	Quesscorp Manpower Supply Services LLC
	Qdigi Services Limited
	Greenpiece Landscapes India Private Limited
	Simpliance Technologies Private Limited
	Allsec Technologies Limited
	Allsectech Inc., USA
	Allsectech Manila Inc., Philippiness
	Retreat Capital Management Inc., USA
	Trimax Smart Infraprojects Private Limited
	Quess Corp Services Limited
- Associates of Holding Company	Terrier Security Services (India) Private Limited
	Heptagon Technologies Private Limited
	Quess East Bengal FC Private Limited
	Quess Recruit, Inc.
	Agency Pekerjaan Quess Recruit Sdn Bhd
- Joint Venture of Holding Company	Himmer Industrial Services (M) Sdn Bhd

Key executive management personnel

Mr. Subrata kumar Nag - Director
Mr. Subramanian Ramakrishnan - Director (wef 18-08-2019)
Mr. Rajesh Kharidehal - Director (wef 18-08-2019)
Mr. Lohit Bhatia - Director
Mr. Abhijeet Mukherjee - Director (till 18-08-2019)
Mr. Manoj Jain - Director (till 18-08-2019)
Mr. Krishnan Seshadri - Chief Executive Officer (KMP) (wef 18-08-2019)

Monster.com (India) Private Limited

Notes to the financial statements for the year ended March 31, 2020

(ii) Related party transactions during the year

(Amount in INR lakhs, unless stated otherwise)

Particulars		For the year ended	
		March 31, 2020	March 31, 2019
Sale of Recruitment Solutions & IAF Servic	Quess Corp Limited	30.53	43.35
	Conneqt Business Solution Limited	-	1.50
	Vedang Cellular Services Pvt. Ltd	0.46	-
Income from BPO operations			
(a) Telecalling services [#1]	Monster.com SG Pte. Ltd.	366.28	350.79
	Agensi Pekerjaan Monster Malaysia Sdn. Bhd	60.82	57.64
[#1] Telecalling service is remunerated at cost plus 15% markup			
(b) Consultancy & Management support s	Monster.com SG Pte. Ltd.	444.46	700.00
	Agensi Pekerjaan Monster Malaysia Sdn. Bhd	197.11	299.98
[#2] Consultancy & Management support services are remunerated at cost plus 10% markup.			
Income from sublet of office premises			
	MFX Infotech Private Limited	2.76	-
	Quesscorp Manpower Supply Servcies LLC	2.78	-
	Excelus Learning Solutions Private Limited	25.42	-
Receipts from Distribution of access rights	Monster.com SG Pte. Ltd.	100.68	281.63
	Agensi Pekerjaan Monster Malaysia Sdn. Bhd	13.02	110.54
	Monster.com HK Ltd.	13.66	19.91
Purchase of Services	Quess Corp Limited	92.20	78.86
	Conneqt Business Solution Limited	-	21.92
	Terrier Security Services (India) Private Ltd	32.24	9.70
	Heptagon Technologies Private Limited	14.87	1.13
	Quesscorp Manpower Supply Servcies LLC	34.88	-
Payment for Distribution of access rights (r	Monster.com SG Pte. Ltd.	8.02	305.84
	Agensi Pekerjaan Monster Malaysia Sdn. Bhd	103.95	169.69
	Monster.com HK Ltd.	0.98	66.00

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in INR lakhs, unless stated otherwise)

Particulars		As at March 31, 2020	As at March 31, 2019
Trade receivables (net)	Monster.com SG Pte. Ltd.	-	398.15
	Quess Corp Limited	1.54	18.24
	MFX Infotech Private Limited	0.92	-
	Quesscorp Manpower Supply Servcies LLC	0.32	0.62
	Terrier Security Services (India) Private Ltd	0.27	-
	Qdigi Services Limited	1.18	6.37
	Vedang Cellular Services Pvt. Ltd	0.54	-
Trade payables (net)	Agensi Pekerjaan Monster Malaysia Sdn. Bhd	249.94	13.93
	Monster.com HK Ltd.	33.56	17.53
	Monster.com SG Pte. Ltd.	35.21	-
	Quess Corp Limited	33.46	9.77
	Heptagon Technologies Private Limited	-	11.13
	Conneqt Business Solution Limited	-	23.67

(iv) Compensation of key managerial

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Abhijeet Mukherjee (till 18-08-2019)	36.80	
Krishnan Seshadri	119.11	
	155.91	-

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

41. Dues to micro, small and medium enterprises

Information as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:
In terms of the requirements of the Micro, Small and Medium Enterprises Development Act, 2006, (here after referred as "MSMED Act") the Company has continuously sought confirmations.
Based on the information available with the Company, there are no principal / interest amounts due to micro, small and medium enterprises towards supply of goods or services.

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of the year	-	-
The amount of interest paid by the buyer in terms of section 16 of the MEMED Act along with the amounts of the payment made to the supplier beyond the appointed day during	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act	-	-

42. Transfer pricing:

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international as well as specified domestic transactions (if applicable) entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international as well as specified domestic transactions (if any) are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

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43. Segment reporting

Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, segment information has been presented both along business segments and geographic segments for the service offerings. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Reportable segment:

The company has considered "'Business Segment" as its primary segment and "'Geographic Segment" as its secondary segment. Revenues and expenses directly attributable to segments are reported under each reportable segment. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable in business segment reporting.

A) Business segment information

The segments have been identified taking into account the nature of service offerings.

1. Recruitment Solutions and IAF Services: This segment comprises of services primarily relating to services relating to recruitment solutions such as Resume database access, Job Postings, distribution of access rights of third party products and services, consumer services and fee for Internet advertisement services. The revenue from this segment is earned from domestic and outside India customers (i.e., export of sales from India & sales from foreign branches to their customers).

2. BPO Services: This segment comprises of business process outsourcing activity relating to (a) tele marketing/calling service offered to certain associated enterprises of the company and (b) Web Design & IT Support Services provided to certain associated enterprises of the company. The revenue from BPO services segment is earned from outside India customers (i.e., export of services from India).

A Business segment information for the year ended is as follows:

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Recruitment Solutions & IAF Services	**BPO Services**	**Total**	**Recruitment Solutions & IAF Services**	**BPO Services**	**Total**
Segment revenue	9,814.91	1,068.67	10,883.58	11,688.84	1,408.41	13,097.25
Segment cost	13,682.26	661.42	14,343.68	13,546.38	1,264.23	14,810.61
Segment result	**-3,867.35**	**407.25**	**-3,460.09**	**-1,857.54**	**144.18**	**-1,713.36**
Other income			346.71			346.71
Unallocated corporate expenses			15.33			15.33
Profit before taxation	**-3,867.35**	**407.25**	**-3,128.71**	**-1,857.54**	**144.18**	**-1,381.97**
Taxation (Expense)/ Benefit			1,111.57			1,111.57
Profit after taxation	**-3,867.35**	**407.25**	**-2,017.14**	**-1,857.54**	**144.18**	**-270.41**
Segment asset	7,583.51	-	7,583.51	7,232.86	116.52	7,349.38
Segment liabilities	11,047.18	-	11,047.18	10,829.92	-	10,829.92
Capital expenditure	581.81	-	581.81	235.26	-	235.26

B Geographic information:

The geographical information analyses are allocated based on the Company's country of domicile (i.e. India) and other countries. The company operations are geographically spread across India, Middle East region (includes Dubai & Kingdom of Saudi Arabia) and Philippines. In presenting the geographical information, segment revenue has been based on the geographical location of the office that made the sale and segment assets which have been based on the geographical location of the assets.

(Amount in INR lakhs, unless stated otherwise)

Particulars	**Revenue**		**Segment assets**	
	As at		**As at**	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
India	9,557.25	11,348.34	6,147.32	5,854.63
Middle East	595.86	1,006.43	184.37	340.38
Philippines	730.48	742.49	1,251.82	1,154.36
Total	**10,883.59**	**13,097.25**	**7,583.50**	**7,349.39**

C Major customer

None of the customers of the Company has revenue which is more than 10 % of the Company's total revenue

44. Assets and liabilities relating to employee benefits

The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit.

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Net defined benefit liability, gratuity plan	366.13	400.68
Net defined benefit liability, Compensated absences (Vested)	69.49	97.06
Net defined benefit liability, Compensated absences (Unvested)	27.82	30.68
Total employee benefit liability	**463.44**	**528.43**
Current	16.43	15.39
Non-current	447.00	513.03
	463.44	**528.43**

The Company does not have any assets relating to employee benefits. For details relating to employee benefit expenses, see note 2

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act,1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ assets and its components:

(Amount in INR lakhs, unless stated otherwise)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Leave Encashment (Vested)	Leave Encashment (Unvested)	Gratuity	Leave Encashment (Vested)	Leave Encashment (Unvested)	Gratuity
Reconciliation of present value of defined benefit obligation						
Obligation at the beginning of the year	97.06	30.69	400.69	192.32	-	464.95
Current service cost	8.44	12.12	**79.61**	15.17	14.64	70.92
Interest cost	7.26	2.30	**29.97**	15.00	-	36.27
Past service cost	-	-	-	-	16.05	-
Benefits settled	(43.37)	-	(124.01)	(93.26)	-	(147.80)
Actuarial (gains)/ losses recognised in other comprehensive income						
- Changes in experience adjustments	(11.75)	(17.28)	(80.47)	(36.48)	-	(40.07)
- Changes in demographic assumptions	(0.15)	-	(1.83)	-	-	-
- Changes in financial assumptions	12.00	-	62.17	4.31	-	16.42
Obligation at the end of the year	**69.49**	**27.83**	**366.14**	**97.06**	**30.69**	**400.69**

(Amount in INR lakhs, unless stated otherwise)

Particulars	For the year ended					
	March 31, 2020			March 31, 2019		
	Leave Encashment (Vested)	Leave Encashment (Unvested)	Gratuity	Leave Encashment (Vested)	Leave Encashment (Unvested)	Gratuity
B (i) Expense recognised in profit or loss						
Current service cost	8.44	12.12	79.61	15.17	14.64	70.92
Interest cost	7.26	2.30	29.97	15.00	-	36.27
Past service cost	-	-	-	-	16.05	-
Net gratuity cost	**15.70**	**14.42**	**109.58**	**30.17**	**30.69**	**107.18**
(ii) Remeasurement recognised in other comprehensive income						
Actuarial (gains) /losses on defined benefit oblig	0.10	-17.28	-20.12	-32.17	-	-23.65
	0.10	**-17.28**	**-20.12**	**-32.17**	**-**	**-23.65**

Particulars	For the year ended					
	March 31, 2020			March 31, 2019		
	Leave Encashment (Vested)	Leave Encashment (Unvested)	Gratuity	Leave Encashment (Vested)	Leave Encashment (Unvested)	Gratuity
C Defined benefit obligation - Benefits paid						
Actual Benefit Payments	43.37	-	124.01	93.26	-	147.80
D Defined benefit obligation - Actuarial Assumptions						
Discount rate	6.14%	6.14%	6.14%	7.48%	7.48%	7.48%
Future salary growth	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
E Defined benefit obligation - bifurcation into current & non current						
Current	1.96	6.05	8.42	1.61	7.84	5.94
Non-current	67.53	21.77	357.71	95.45	22.84	394.74

F Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Amount in INR lakhs, unless stated otherwise)

	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-31.86	35.03	-35.92	39.27
Future salary growth (0.5% movement)	30.07	-27.74	34.02	-31.03

45. Business Continuity reference

The company has been making losses in the past 4 years and made a loss of Rs. 33.08 Cr in the current year (Previous Year Rs. 2.70 cr) due to which the net-worth of the Company has been substantially eroded. However, during the year, the Company is in receipt of an amount of Rs. 23.98 crs (PY: Nil) on account of issue of compulsorily convertible debentures, from the Holding Company. Further, the holding Company has confirmed to provide necessary financial support to enable the company to continue as a going concern. In view of the above, the financial statements of the Company have been prepared on a going concern basis.

46. Covid-19 Impact

In assessing the recoverability of receivables including, contract assets and intangible assets, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad, INDIA
Date: May 06, 2020

For and on behalf of the Board of Directors
Monster.com (India) Private Limited
CIN: U72200TG2000PTC035617

S. Ramakrishnan

Rajesh Kharidehal
Director
DIN: 08472077

Subramanian Ramakrishnan
Director
DIN: 03522114

Manbhum Jade Towers,
II Floor, 6-3-1090/A/12 & 13,
Somajiguda, Hyderabad 500 082, INDIA
Tel: +91 40 3024 2999

INDEPENDENT AUDITOR'S REPORT

To the Members of Qdigi Services Limited (formerly known as HCL Computing Products Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Qdigi Services Limited (formerly known as HCL Computing Products Limited) ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("the Act') in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

a) We draw attention to Note 45 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Our opinion is not modified in respect of this matters.

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 the 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.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(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, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

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(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 20205226AAAAFF3228
Place: Hyderabad
Date: May 05, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF QDIGI SERVICES LIMITED (FORMERLY KNOWN AS HCL COMPUTING PRODUCTS LIMITED)

Auditor's Responsibilities for the Audit of the 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 Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements 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.

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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.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES
Hyderabad
Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 20205226AAAAFF3228
Place: Hyderabad
Date: May 05, 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF QDIGI SERVICES LIMITED (FORMERLY KNOWN AS HCL COMPUTING PRODUCTS LIMITED) FOR THE YEAR ENDED MARCH 31, 2020

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) Fixed assets (Property, Plant and Equipment) have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) There are no immovable properties held in the name of the Company.

ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In Our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2020 and the Company has not accepted any deposits during the year.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

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Hyderabad
Chartered Accountants

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us , in our opinion , undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, cess and any other statutory dues which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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Chartered Accountants

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year and the requirements of Section 42 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 20205226AAAAFF3228

Place: Hyderabad

Date: May 05, 2020

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF QDIGI SERVICES LIMITED (FORMERLY KNOWN AS HCL COMPUTING PRODUCTS LIMITED)

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to financial statements of **QDigi Services Limited (formerly known as HCL Computing Products Limited)** ("the Company") as of March 31, 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls With Reference to Financial Statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may

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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, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 20205226AAAAFF3228
Place: Hyderabad
Date: May 05, 2020

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Balance Sheet as at March 31, 2020

(Amount in INR)

Balance Sheet	Note	As at 31 Mar 2020	As at 31 Mar 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	19,26,78,100	2,61,13,399
Capital work-in-progress	3	3,52,382	2,43,750
Goodwill	4	18,42,35,457	18,42,35,457
Other intangible assets	4	45,88,023	61,09,931
Intangible asset under development	4	1,09,51,632	-
Financial assets			
(i) Non-current loans	5	1,57,14,362	2,03,86,228
Deferred tax assets (net)	6	-	18,55,296
Income tax assets (net)	7	1,64,74,566	99,14,761
Other non-current assets	8	29,92,253	16,95,869
Total non-current assets		**42,79,86,775**	**25,05,54,691**
Current assets			
Inventories	9	8,23,66,094	5,39,77,015
Financial assets			
(i) Trade receivables	10	16,95,26,219	23,56,57,436
(ii) Cash and cash equivalents	11	7,57,44,604	10,73,38,934
(iii) Bank balances other than cash and cash equivalents	12	1,99,54,930	1,60,74,930
(iv) Current loans	13	69,96,623	22,68,758
(v) Unbilled revenue	14	2,45,71,187	3,02,51,773
(vi) Other current financial assets	15	17,21,277	6,22,576
Other current assets	16	1,43,58,800	2,62,48,808
Total current assets		**39,52,39,734**	**47,24,40,230**
Total Assets		**82,32,26,509**	**72,29,94,921**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	5,34,96,500	5,00,00,000
Other equity	18	24,36,75,317	22,95,80,447
Total equity		**29,71,71,817**	**27,95,80,447**
Liabilities			
Non-current liabilities			
Non-current Employee benefit obligations	19	83,17,146	59,22,527
Other non-current financial liabilities	20	13,26,51,800	-
Deferred tax liability (net)	6	52,39,525	-
Total non-current liabilities		**14,62,08,471**	**59,22,527**
Current liabilities			
Financial liabilities			
(i) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	21	-	-
b) total outstanding dues of creditors other than micro enterprise and small enterprise		7,27,23,268	18,89,55,480
(ii) Other current financial liabilities	22	14,61,85,770	4,89,27,771
Current Employee benefit obligations	23	37,13,077	30,92,460
Other current liabilities	24	15,72,24,106	19,65,16,237
Total current liabilities		**37,98,46,221**	**43,74,91,948**
Total Liabilities		**52,60,54,692**	**44,34,14,475**
Total Equity and Liabilities		**82,32,26,509**	**72,29,94,921**

Company overview and Significant accounting policies **1 & 2**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for **MSKA & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad, INDIA
Date: May 5, 2020

for and on behalf of the Board of Directors of
Qdigi Services Limited (formerly known as HCL Computing Products
CIN: U52100DL2012PLC238730

S. Ramakrishnan

Subramanian Ramakrishnan
Director
DIN: 03522114

Place: Bengaluru, INDIA
Date: May 5, 2020

Srinivasan Guruprasad
Director
DIN: 00075?6207

Place: Bengaluru, INDIA
Date: May 5, 2020

MSKA & ASSOCIATES Hyderabad Chartered Accountants

QDIGI SERVICES LIMITED

Qdigi Services Limited (formerly known as HCL Computing Products Limited)

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

(Amount in INR, except equity share and per equity share data)

Statement of Profit and Loss	Note	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Income			
Revenue from operations	25	1,88,15,21,164	1,70,67,65,659
Other income	26	1,83,90,654	54,87,450
Total income		**1,89,99,11,818**	**1,71,22,53,109**
Expenses			
Cost of material, stores and spare parts consumed	27	1,09,37,90,915	96,64,13,319
Employee benefit expenses	28	36,09,63,440	12,24,23,010
Finance costs	29	3,32,22,670	97,84,580
Depreciation and amortisation expenses	30	5,86,87,506	1,92,90,529
Other expenses	31	37,83,72,725	61,27,15,774
Total expenses		**1,92,50,37,256**	**1,73,06,27,212**
Profit before share of profit of equity accounted investees and income tax		**(2,51,25,438)**	**(1,83,74,103)**
Profit/(Loss) before tax		**(2,51,25,438)**	**(1,83,74,103)**
Tax expense			
Current tax		-	-
Effect of change in tax rate		(5,12,367)	-
Deferred tax	6	(66,25,541)	20,82,405
Total tax expenses		**(71,37,908)**	**20,82,405**
Profit/(Loss) for the year		**(3,22,63,346)**	**(1,62,91,698)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(1,88,322)	7,27,913
Income tax relating to items that will not be reclassified to profit or loss	6	43,088	(2,27,109)
Other comprehensive income for the year, net of tax		**(1,45,234)**	**5,00,804**
Total comprehensive income for the year		**(3,24,08,580)**	**(1,57,90,894)**
Earnings / (Loss) per share			
Basic earnings /(loss) per share (INR)	36	(6.36)	(3.26)
Diluted earnings /(loss) per share (INR)	36	(6.36)	(3.26)

Company overview and Significant accounting policies 1 & 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for **MSKA & Associates**
Chartered Accountants
Firm's Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad, INDIA
Date: May 5, 2020

for and on behalf of the Board of Directors of
Qdigi Services Limited (formerly known as HCL Computing Products Limited)
CIN: U52100DL2012PLC238730

Subramanian Ramakrishnan
Director
DIN: 03522114

Place: Bengaluru, INDIA
Date: May 5, 2020

Srinivasan Guruprasad
Director
DIN: 0007596207

Place: Bengaluru, INDIA
Date: May 5, 2020

QDIGI SERVICES LIMITED

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Statement of Cash Flows for the year ended March 31, 2020

(Amount in INR)

Statement of cash flows	31 March 2020	31 March 2019
Cash flows from operating activities		
Profit/(Loss) after tax	(3,22,63,346)	(1,57,90,894)
Adjustments for:		
Depreciation and amortisation	5,86,87,506	1,92,90,529
Finance income on present valuation of financial instruments	(9,01,446)	(5,86,461)
Liabilities no longer required written back	1,62,68,429	24,98,806
Impairment loss allowance on financial assets, net	45,93,568	21,30,601
Interest income on term deposits	(12,20,779)	(20,85,939)
Tax expense	70,94,820	(20,82,405)
Finance costs	3,32,22,670	97,84,580
Operating cash flows before working capital changes	**8,54,81,422**	**1,31,58,818**
Changes in inventories, trade receivables and unbilled revenue	3,88,29,158	1,00,61,404
Changes in loans, other financial assets and other assets	1,03,40,372	(2,89,13,427)
Changes in trade payables and other financial liabilities	(10,07,14,920)	(13,01,66,526)
Cash generated from operations	**3,39,36,032**	**(13,58,59,731)**
Income taxes paid, net of refund	(65,59,805)	(99,14,761)
Net cash provided by/ (used in) operating activities (A)	**2,73,76,227**	**(14,57,74,492)**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(2,03,29,085)	(1,79,04,667)
Bank deposits (having original maturity of more than three months)	(38,80,000)	(1,60,74,930)
Liabilities and provisions reversed	(1,62,68,429)	(24,98,806)
Interest income on term deposits	12,20,780	14,63,363
Net cash used in investing activities (B)	**(3,92,56,734)**	**(3,50,15,040)**
Cash flows from financing activities		
Corporate guarantee received	-	20,00,000
Repayment of loan from related parties	-	(29,68,00,000)
Proceeds from issue of equity shares, net of issue expenses	4,99,99,950	29,40,00,000
Loans from related parties	-	29,68,00,000
Lease liability paid	(3,64,91,103)	-
Interest paid	(3,32,22,670)	(97,84,580)
Net cash used in financing activities (C)	**(1,97,13,823)**	**28,62,15,420**
Net increase in cash and cash equivalents (A+B+C)	(3,15,94,330)	10,54,25,887
Cash and cash equivalents at the beginning of the period	10,73,38,934	19,13,047
Cash and cash equivalents at the end of the year (refer note 11)	**7,57,44,604**	**10,73,38,934**

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

for **MSKA & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad, INDIA
Date: May 5, 2020

for and on behalf of the Board of Directors of
Qdigi Services Limited (formerly known as HCL Computing Products Limited)
CIN: U52100DL2012PLC238730

Subramanian Ramakrishnan
Director
DIN: 03522114

Place: Bengaluru, INDIA
Date: May 5, 2020

Srinivasan Guruprasad
Director
DIN: 0007596207

Place: Bengaluru, INDIA
Date: May 5, 2020

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Statement of Changes in Equity for the year ended 31 March 2020

(Amount in INR)

(A) Equity share capital	31 March 2020	31 March 2019
Opening balance	5,00,00,000	10,00,000
Changes in equity share capital	34,96,500	4,90,00,000
Closing balance (refer note 17)	**5,34,96,500**	**5,00,00,000**

(B) Other equity

(Amount in INR)

Particulars	Other equity				Total equity attributable to equity holders of the Company
	Reserves and Surplus		Corporate guarantee	Other items of other Comprehensive Income	
	Securities premium	Retained earnings		Remeasurements of defined benefit liability	
Balance as of 1 April 2018	-	(16,28,659)	-	-	(16,28,659)
Add: Issue of equity shares	-	-	-	-	-
Add: Premium received on issue of equity shares	24,50,00,000	-	-	-	24,50,00,000
Add: Profit/(Loss) for the year	-	(1,62,91,698)	-	-	(1,62,91,698)
Add:Corporate guarantee received from Quess Corp Ltd	-	-	20,00,000	-	20,00,000
Add: Other comprehensive income (net of tax)	-	-	-	5,00,804	5,00,804
Balance as of 31 March 2019 (refer note 18)	**24,50,00,000**	**(1,79,20,357)**	**20,00,000**	**5,00,804**	**22,95,80,447**
Balance as of 1 April 2019	24,50,00,000	(1,79,20,357)	20,00,000	5,00,804	22,95,80,447
Add: Premium received on issue of equity shares	4,65,03,450	-	-	-	4,65,03,450
Add: Profit/(Loss) for the year	-	(3,22,63,346)	-	-	(3,22,63,346)
Add:Corporate guarantee received from Quess Corp Ltd	-	-	-		-
Add: Other comprehensive income (net of tax)	-	-	-	(1,45,234)	(1,45,234)
Balance as of 31 March 2020 (refer note 18)	**29,15,03,450**	**(5,01,83,703)**	**20,00,000**	**3,55,570**	**24,36,75,317**

The notes referred to above form an integral part of financial statements
As per our report of even date

for **MSKA & Associates**
Chartered Accountants
Firm's Registration No 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan Govindan
Partner
Membership No 205226

Place Hyderabad, INDIA
Date May 5, 2020

for and on behalf of Board of Directors of
Qdigi Services Limited (formerly known as HCL Computing Products Limited)

S. Ramakrishnan

Subramanian Ramakrishnan
Director
DIN 03522114

Place Bengaluru, INDIA
Date May 5, 2020

Srinivasan Guruprasad
Director
DIN 00071496207

Place Bengaluru, INDIA
Date May 5, 2020

QDIGI SERVICES LIMITED

QDigi Services Limited (formerly known as HCL Computing Products Limited)
Notes to the financial statements for the year ended March 31, 2020

1. Company overview

QDigi Services Limited (formerly known as HCL Computing Products Limited) ("Qdigi" or "the Company"), is a public limited company incorporated and domiciled in India. The registered office of the Company is located at New Delhi, India. Quess Corp Limited acquired Qdigi from HCL Infosystems Limited in April 2018. The Company is in the business of providing after-sales services for consumer products like mobile phones, electronics and durables with an extensive service network across India comprising of its own walk-in-centers and authorised service providers.

2. Basis of preparation

2.1 Statement of compliance

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The Company's Ind AS financial statements are approved for issue by the Company's Board of Directors on 5 May 2020.

The Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the functional currency of the Company.

2.2 Basis of measurement and significant accounting policies

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

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO").

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

2.3 Use of estimates and judgement

Preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

i. ***Income taxes:*** Significant judgements are involved in determining provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

ii. ***Measurement of defined benefit obligations:*** The cost of the defined benefit obligations are based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. All assumptions are reviewed on a periodic basis.

iii. ***Impairment of financial assets:*** The Company assesses the expected credit losses associated with financial assets carried at amortised cost based on 12-month expected credit losses (ECL) at each financial year end, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL

iv. ***Intangible asset under development:*** The Company capitalizes intangible asset under development for a project in accordance with the accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

v. ***Property, plant and equipment and Intangible assets:*** The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

QDIGI SERVICES LIMITED

Basis of measurement and significant accounting policies (continued)

vi. ***Business combinations:*** Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets (such as brands, customer contracts and customer relationships). These valuations are conducted by independent valuation experts.

vii. ***Other estimates:*** The impairment of non-financial assets involves key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets.

2.4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.5 Functional and presentation currency

Items included in the Ind AS financial statements of Company are measured using the currency of the primary economic environment in which the entities operate (i.e. the "functional currency").

2.6 Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.

Subsequent expenditures relating to property, plant and equipment is capitalized 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. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is classified as capital advances under other non-current assets and the cost of the assets not ready for intended use are disclosed under 'Capital work-in-progress'

ii) Depreciation

Depreciation is provided on a Straight Line Method ('SLM') over the estimated useful lives of the property, plant and equipment as estimated by the Management and is generally recognized in the statement of profit and loss. The management believes that the useful lives as given below best represent the period over which the management expects to use these assets based on an internal assessment and technical evaluation where

QDIGI SERVICES LIMITED

Basis of measurement and significant accounting policies (continued)

necessary. Hence, the useful lives for some of these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). The Company has estimated the useful lives for property, plant and equipment as follows:

Asset category	Estimated useful life for 31 March 2020
Plant and machinery	5 years
Computer equipment	3 years
Furniture and Fixtures	5 years
Office equipment	5 years

Leasehold improvements are depreciated over the lease term or estimated useful life whichever is lower.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted if appropriate.

2.7 Goodwill and other intangible assets

(i) Goodwill

The excess of the cost of acquisition over the Company's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If the excess is negative, it is considered as a bargain purchase gain. Any gain on a bargain purchase is recognized in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase. Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows.

(ii) Other intangible assets

Customer Relationships

Customer relationships acquired as part of acquisitions of businesses are capitalised as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets.

These valuations are conducted by independent valuation experts. Brand, customer contracts and customer relationships acquired as part of business combinations are capitalised as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Others

Other intangible assets such as computer software is initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

(a) Recognition and measurement

Internally generated: Research and development

Research costs are expensed as incurred. Software product 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 the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brand, is recognised in the statement of profit and loss as and when incurred.

QDIGI SERVICES LIMITED

Basis of measurement and significant accounting policies (continued)

(iv) Amortisation

Goodwill is not amortised and is tested for impairment annually. Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation expenses in the statement of profit and loss.

The estimated useful lives of intangible assets are as follows:

Asset category	Estimated useful life for 31 March 2020
Software	3 years
Customer relationships	5 years

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

2.8 Impairment of non-financial assets

Intangible assets and property, plant and equipment 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.
If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in net profit in the statement of profit and loss and is not reversed in the subsequent period.

2.9 Leases

Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The Company has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The Company's lease asset classes primarily consist of Land and Building. The Company assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

QDIGI SERVICES LIMITED

Basis of measurement and significant accounting policies (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate (As at 1 April 2019 - 9.5%).

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets:

The Company has elected not to recognize right-of-use assets and liabilities for short-term leases of INR 100,000 that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Practical expedients adopted on initial recognition:

1. The agreements maturing within 12 months from the initial application of Ind AS 116, are not considered.
2. Single discount rate is applied to a portfolio of leases with reasonably similar characteristics on the date of initial application.

Value of initial direct costs (such as Stamp Duty, registration costs etc. already paid) excluded from the measurement of ROUA.

Refer note 39 for disclosure related to leases.

2.10 Inventories

Inventories (stores and spares) which comprise of electronic components are valued at the lower of cost and net realizable value. Cost of inventories comprises purchase price and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell.

Inventories are stated net of write down or allowances on account of obsolete, damaged or slow moving items. The Company assess the obsolescence of inventory on a periodic basis.

Goods in-transit is valued inclusive of custom duty, where applicable.

2.11 Revenue recognition

The Company adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each product or service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied overtime are recognized as per the terms of the arrangement with the customers.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Refer Note 42 for disclosure related to revenue from contracts with customers.

2.12 Other income

Other income mostly comprises interest income on deposits and income and gain/ (losses) on disposal of financial assets and non-financial assets. Interest income is recognised using the effective interest method.

QDIGI SERVICES LIMITED

Basis of measurement and significant accounting policies (continued)

2.13 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the reporting date.

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.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

2.14 Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified and measured at

- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

(ii) A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

(iii) On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-to-investment basis.

b) Classification and subsequent measurement (continued)

(iv) All financial assets not classified at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

QDIGI SERVICES LIMITED

Basis of measurement and significant accounting policies (continued)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

c) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 (i) details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on financial assets, trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) is recognised as an income/expense in the Statement of Profit and Loss during the period.

d) Derecognition of financial assets

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.
Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit and loss. Other financial liabilities subsequently measured at

QDIGI SERVICES LIMITED

Basis of measurement and significant accounting policies (continued)

amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit and loss. Any gain or loss is also recognized in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.15 Employee benefits

(a) Short-term benefit plans

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Short term employee benefits are measured on an undiscounted basis as the related service is provided and recognized as expense.

(b) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or encash the leave at the time of leaving the employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit Method as at the reporting date.

(c) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(d) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Further, the Statement of profit and loss does not include an expected return on plan assets. Instead net interest recognised in the Statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to the Statement of profit and loss in subsequent periods.

QDIGI SERVICES LIMITED

Basis of measurement and significant accounting policies (continued)

(e) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.16 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the Statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

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 reporting date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting 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.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.
- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realised. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Ind AS 12 defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet. Since Company is falling under new tax regime MAT is not applicable to the Company.

2.17 Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with the contract.

2.18 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

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Basis of measurement and significant accounting policies (continued)

2.19 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.21 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.22 Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments, refer note 41.

Qdigi Services Limited (formerly known as HCL Computing Products Limited)
Notes to the financial statements for the year ended 31 March 2020

3 Property, plant and equipment and Capital work-in-progress

(Amount in INR)

Particulars	Leasehold improvements	Furniture and fixtures	Office equipment	Plant and machinery	Computer equipment	Right to use asset- Building	Total Property, Plant and Equipment	Capital work-in-progress
Gross carrying amount								
Balance as at 1 April 2018	74,15,985	70,11,904	36,93,330	36,08,954	44,85,354	-	2,62,15,526	-
Addition	78,67,186	16,95,942	38,10,261	60,880	46,07,285	-	1,80,41,554	2,43,750
Disposals	(48,02,929)	(13,28,396)	(2,49,317)	(11,07,261)	(1,49,309)	-	(76,37,213)	-
Balance as at 31 March 2019	**1,04,80,242**	**73,79,450**	**72,54,274**	**25,62,573**	**89,43,330**	**-**	**3,66,19,867**	**2,43,750**
Balance as at 1 April 2019	1,04,80,242	73,79,450	72,54,274	25,62,573	89,43,330	-	3,66,19,867	2,43,750
Recognised on Ind AS 116 applicability	-	-	-	-	-	12,44,81,260	12,44,81,260	
Addition	45,38,399	1,47,754	18,91,611	1,75,842	25,01,814	9,52,07,861	10,44,63,282	42,02,859
Disposals	-	-	-	-	-	(52,27,642)	(52,27,642)	-
Capitalised during the year	-	-	-	-	-		-	(40,94,227)
Balance as at 31 March 2020	**1,50,18,641**	**75,27,204**	**91,45,885**	**27,38,415**	**1,14,45,144**	**21,44,61,479**	**26,03,36,767**	**3,52,382**
Accumulated depreciation and impairment losses								
Balance as at 1 April 2018	-	-	-	-	-	-	-	-
Depreciation for the year	72,04,965	28,02,742	18,70,027	15,88,387	42,96,921	-	1,77,63,043	-
Disposals	(46,13,348)	(12,23,091)	(2,18,742)	(10,61,670)	(1,39,722)	-	(72,56,573)	-
Closing accumulated depreciation as at 31 Mar 2019	**25,91,617**	**15,79,651**	**16,51,285**	**5,26,717**	**41,57,199**	**-**	**1,05,06,470**	**-**
Balance as at 1 April 2019	25,91,617	15,79,651	16,51,285	5,26,717	41,57,199	-	1,05,06,470	-
Depreciation for the year	45,21,494	24,21,500	12,74,212	5,85,268	25,11,380	4,60,90,211	5,74,04,065	-
Disposals	-	-	-	-	-	(2,51,866)	(2,51,866)	-
Closing accumulated depreciation as at 31 Mar 2020	**71,13,111**	**40,01,151**	**29,25,497**	**11,11,985**	**66,68,579**	**4,58,38,345**	**6,76,58,669**	**-**
Net Carrying amount								
As at 31 Mar 2020	**79,05,530**	**35,26,053**	**62,20,388**	**16,26,430**	**47,76,565**	**16,86,23,134**	**19,26,78,100**	**3,52,382**
As at 31 Mar 2019	**78,88,625**	**57,99,799**	**56,02,989**	**20,35,856**	**47,86,131**	**-**	**2,61,13,399**	**2,43,750**

QDIGI SERVICES LIMITED

4 **Intangible assets and Intangible assets under development**

(Amount in INR)

Particulars	Goodwill	Customer Relationships	Computer software	Total	Intangible assets under development
Gross carrying amount					
Balance as at 1 April 2018	18,42,35,457	76,37,414	3	19,18,72,874	-
Addition	-	-	-	-	-
Deletion	-	-	-	-	-
Balance as at 31 March 2019	**18,42,35,457**	**76,37,414**	**3**	**19,18,72,874**	**-**
Balance as at 1 April 2019	18,42,35,457	76,37,414	3	19,18,72,874	-
Addition	-	-	13,400	13,400	1,09,51,632
Deletion	-	-	-	-	-
Balance as at 31 March 2020	**18,42,35,457**	**76,37,414**	**13,403**	**19,18,86,274**	**1,09,51,632**
Accumulated amortisation					
Balance as at 1 April 2018	-	-	-	-	-
Amortisation for the year	-	15,27,483	3	15,27,486	-
Balance as at 31 March 2019	**-**	**15,27,483**	**3**	**15,27,486**	**-**
Balance as at 1 April 2019	-	15,27,483	3	15,27,486	-
Amortisation for the year	-	15,30,830	4,478	15,35,308	-
Balance as at 31 March 2020	**-**	**30,58,313**	**4,481**	**30,62,794**	**-**
Net Carrying amount					
As at 31 Mar 2020	**18,42,35,457**	**45,79,101**	**8,922**	**18,88,23,480**	**1,09,51,632**
As at 31 Mar 2019	**18,42,35,457**	**61,09,931**	**3**	**19,03,45,388**	**-**

QDIGI SERVICES LIMITED

5 Non current loans

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Security deposits	1,57,14,362	2,03,86,228
	1,57,14,362	**2,03,86,228**

6 Deferred tax assets / (liability) (net)

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset:		
Impairment loss allowance on financial assets	22,43,604	7,11,280
Provision on employee benefits - Gratuity	16,95,938	70,455
Provision on employee benefits - Compensated absences	13,32,069	3,84,815
Bonus and Commission	36,04,474	20,68,771
Property Plant and Equipment	38,47,622	1,43,50,859
Other comprehensive income	43,088	-
Lease liability	4,47,95,144	-
Deferred tax liability:		
Intangibles - Customer Relationship	(71,245)	(1,27,484)
Intangibles - Goodwill on Business Combination	(2,02,87,776)	(1,53,76,291)
Right to use asset	(4,24,42,443)	-
Other comprehensive income	-	(2,27,109)
Net deferred tax assets/(liabilities)	**(52,39,525)**	**18,55,296**

A Amount recognised in statement of profit or loss

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax:		
In respect of the current period	-	-
Excess provision related to prior years	-	-
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	(71,37,908)	20,82,405
Increase/ reduction of tax rate	-	-
Income tax expense reported in the Statement of Profit and Loss	**(71,37,908)**	**20,82,405**

B Income tax recognised in other comprehensive income

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of the net defined benefit liability/ asset		
Before tax	(1,88,322)	7,27,913
Tax (expense)/ benefit	43,088	(2,27,109)
Net of tax	**(1,45,234)**	**5,00,804**

C There is no amount recognised directly in equity.

D Since the company is making tax losses, there will be no effective tax rate disclosure for the same. However, tax rate used for creating deffered tax is 25.168% as per the new tax regime while in the previous year tax rate of 33.38% was used as per the normal tax rate.

E The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019

Non-current tax assets (net)

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets	1,64,74,566	99,14,761
Income tax liabilities	-	-
Net income tax assets at the end of the year	**1,64,74,566**	**99,14,761**

There is no current tax asset hence not disclosed separately.

QDIGI SERVICES LIMITED

F Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

For the year ended 31 March 2020

(Amount in INR)

Particulars	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:				
Impairment loss allowance on financial assets	7,11,280	15,32,324	-	22,43,604
Provision for employee benefits	2,28,161	27,99,846	43,088	30,71,095
Provision for bonus	20,68,771	15,35,703	-	36,04,474
Fixed assets	1,43,50,859	(1,05,03,237)	-	38,47,622
Lease liability	-	4,47,95,144	-	4,47,95,144
	1,73,59,071	**4,01,59,780**	**43,088**	**5,75,61,939**
Deferred tax liabilities:				
Right to use asset	-	4,24,42,443	-	4,24,42,443
Goodwill on Business Combination	1,53,76,291	49,11,485	-	2,02,87,776
Customer relationships	1,27,484	(56,239)	-	71,245
	1,55,03,775	**4,72,97,688**	**-**	**6,28,01,464**
Deferred tax assets/(liabilities)	**18,55,296**	**(71,37,908)**	**43,088**	**(52,39,525)**

For the year ended 31 March 2019

(Amount in INR)

Particulars	Opening balance	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:				
Impairment loss allowance on financial assets	-	7,11,280	-	7,11,280
Provision for employee benefits	-	4,55,270	(2,27,109)	2,28,161
Provision for bonus	-	20,68,771	-	20,68,771
Fixed assets	-	1,43,50,859	-	1,43,50,859
	-	**1,75,86,180**	**(2,27,109)**	**1,73,59,071**
Deferred tax liabilities:				
Customer relationships	-	1,27,484	-	1,27,484
Goodwill on Business Combination	-	1,53,76,291	-	1,53,76,291
	-	**1,55,03,775**	**-**	**1,55,03,775**
Net deferred tax assets	**-**	**20,82,405**	**(2,27,109)**	**18,55,296**
Deferred income tax liabilities:				
Deferred income tax liabilities	-	-	-	-
Deferred tax assets/(liabilities)	**-**	**20,82,405**	**(2,27,109)**	**18,55,296**

7 Income tax assets (net)

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
TDS Receivable	1,64,74,566	99,14,761
	1,64,74,566	**99,14,761**

8 Other non-current assets

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Prepaid expenses	29,92,253	16,95,869
	29,92,253	**16,95,869**

9 Inventories

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Valued at lower of cost and net realizable value		
Stores and spares	8,23,66,094	5,39,77,015
	8,23,66,094	**5,39,77,015**

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10 Trade receivables

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Considered good#	16,95,26,219	23,56,57,436
Considered doubtful	89,13,802	43,20,234
	17,84,40,021	**23,99,77,670**
Less: Allowance for bad and doubtful debts		
Unsecured, considered good	(14,30,661)	(6,59,817)
Unsecured, considered doubtful	(74,83,141)	(36,60,417)
	(89,13,802)	**(43,20,234)**
Net trade receivables	**16,95,26,219**	**23,56,57,436**
# receivable from related parties (refer note 38)	14,97,201	70,58,475

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

11 Cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash in hand	26,63,363	22,89,538
Balances with banks		
In current accounts	7,30,81,241	10,50,49,396
Cash and cash equivalents	**7,57,44,604**	**10,73,38,934**

12 Bank balances other than cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
In deposit accounts (with maturity for more than 3 months but less than 12 months from balance sheet date)	1,99,54,930	1,60,74,930
	1,99,54,930	**1,60,74,930**

13 Current loans

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Security deposits	63,55,646	18,56,145
Deposits and other advances	12,87,520	1,22,205
Less: Unsecured, considered doubtful	(12,87,520)	(1,22,205)
	63,55,646	18,56,145
Other loans and advances		
Loans to employees*	6,40,977	4,12,613
	69,96,623	**22,68,758**

* There is no loss allowance required to be created for loans to employees as these are in the nature of advance given to employees for operating purpose.

14 Unbilled revenue

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Unbilled revenue	2,45,71,187	3,02,51,773
	2,45,71,187	**3,02,51,773**

15 Other current financial assets

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Interest accrued but not due	17,21,277	6,22,576
	17,21,277	**6,22,576**

16 Other current assets

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Advances to suppliers	1,26,842	84,37,031
Prepaid expenses	2,27,726	24,82,796
Balances with government authorities	1,39,74,070	1,53,28,981
Other advances		
Travel advances to employees	30,162	-
	1,43,58,800	**2,62,48,808**

17 Equity share capital

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
65,00,000 (31 March 2019: 50,00,000) equity shares of par value of INR 10.00 each	6,50,00,000	5,00,00,000
	6,50,00,000	**5,00,00,000**
Issued, subscribed and paid-up		
53,49,650 (31 March 2019: 50,00,000) equity shares of par value of INR 10.00 each,	5,34,96,500	5,00,00,000
	5,34,96,500	**5,00,00,000**

17.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in INR	Number of shares	Amount in INR
Equity shares				
Outstanding at the beginning of the year	50,00,000	5,00,00,000	1,00,000	10,00,000
Add: Issued during the year #	3,49,650	34,96,500	49,00,000	4,90,00,000
Outstanding at the end of the year	**53,49,650**	**5,34,96,500**	**50,00,000**	**5,00,00,000**

On 13 Janauary'2020, Quess Corp Limited has allotted 3,49,650 no's of shares to the Company at a face value of Rs.10 per share and premium of Rs.133 each share. The proceeds shall be used towards the business as per the investment agreement entered by the Company with Holding Company and Amazon.Com NV Investment Holdings LLC on 23 June 2019.

17.2 Details of share held by Holding Company and shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	52,99,650	99%	49,50,000	99%

17.3 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Each shareholder is entitled to one vote per share held. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

17.4 The Company has not made any buy back of shares or issued any shares for consideration other than cash, during the period of five years immediately preceding the balance

18 Other equity*

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Securities premium account (refer note 18.1)	29,15,03,450	24,50,00,000
Other Equity- Corporate Guarantee (refer note 18.2)	20,00,000	20,00,000
Other comprehensive income (refer note 18.3)	3,55,570	5,00,804
Retained earnings	(5,01,83,703)	(1,79,20,357)
	24,36,75,317	**22,95,80,447**

18.1 Securities premium account

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013. It pertains to 49,00,000 shares subscribed by Quess Corp Ltd. for premium of Rs 50 per share in last year and 3,49,650 shared subscribed by Quess Corp Ltd. during the year at a premium of Rs.133 per share in the current year.

18.2 Corporate guarantee

It pertains to the Corporate guarantee given by Quess Corp Limited for cash credit facility taken from Axis Bank.

18.3 Other comprehensive income

Remeasurement of defined benefit liability (asset) comprises actuarial gain and losses.

* For detailed movement of reserves refer Statement of Changes in Equity.

19 Non-current Employee benefit obligations

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Provision for gratuity (unfunded) (refer note 40)	54,02,795	40,63,830
Provision for compensated absences (unfunded)	29,14,351	18,58,697
	83,17,146	**59,22,527**

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20 Other non-current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Long term maturities of finance lease obligations	13,26,51,800	-
	13,26,51,800	**-**

21 Trade payables

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payable		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises* #	7,27,23,268	18,89,55,480
	7,27,23,268	**18,89,55,480**
# payable to related party (refer note 38)	43,00,660	2,44,50,537

* Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 33.

22 Other current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Payable for acquisition of business		
Consideration payable	-	3,09,77,025
Interest accrued and not due	43,364	43,364
Amount payable to related parties	5,15,68,104	-
Current maturities of finance lease obligations	4,53,18,579	-
Other Payables		
Accrued salaries and benefits	3,49,35,207	79,07,382
Provision for bonus and incentive	1,43,20,516	1,00,00,000
	14,61,85,770	**4,89,27,771**

The Company's exposure to currency and liquidity risk related to other current financial liabilities is disclosed in note 33.

23 Current Employee benefit obligations

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Provision for gratuity (unfunded) (refer note 40)	13,35,139	16,43,260
Provision for compensated absences (unfunded)	23,77,938	14,49,200
	37,13,077	**30,92,460**

24 Other current liabilities

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances payable to government authorities	1,17,90,219	41,58,040
Provision for expenses#	11,21,81,225	16,04,65,910
Security deposits - Received from Vendors	3,32,52,662	3,18,92,287
	15,72,24,106	**19,65,16,237**
# payable to related parties (refer note 38)	16,44,450	46,47,121

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25 Revenue from operations

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of services (refer note 42)	66,58,87,306	64,50,38,528
Sale of goods (refer note 42)	1,21,56,33,858	1,06,17,27,131
	1,88,15,21,164	**1,70,67,65,659**

26 Other income

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on deposits with banks	12,20,779	20,85,939
Interest income under the effective interest method on:		
Interest income on present valuation of financial instruments	9,01,446	5,86,461
Foreign exchange gain	-	1,47,968
Liabilities and provisions reversed	1,62,68,429	24,98,806
Miscellaneous income	-	1,68,276
	1,83,90,654	**54,87,450**

27 Cost of material, stores and spare parts consumed

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventory at the beginning of the year	5,39,77,015	4,14,80,512
Add: Purchases	1,12,21,79,994	97,89,09,822
Less: Inventory at the end of the year	8,23,66,094	5,39,77,015
Cost of material, stores and spare parts consumed	**1,09,37,90,915**	**96,64,13,319**

28 Employee benefits expense

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages, bonus and other allowances	32,37,54,547	10,42,26,433
Contribution to provident and other funds	2,64,17,079	42,49,510
Expenses related to post-employment defined benefit plan (refer note 40)	27,00,792	13,40,139
Expenses related to compensated absences	20,89,268	11,52,693
Staff welfare expenses	60,01,754	1,14,54,234
	36,09,63,440	**12,24,23,010**

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29 Finance costs

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on financial liabilities at amortised cost	2,85,73,260	51,38,688
Interest paid to related party	-	14,36,795
Other borrowing costs	46,49,410	32,09,097
	3,32,22,670	**97,84,580**

30 Depreciation and amortisation expense

Company overview and Significant accounting policies 1 & 2

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 3)	5,71,52,198	1,77,63,043
Amortisation of intangible assets (refer note 4)	15,35,308	15,27,486
	5,86,87,506	**1,92,90,529**

31 Other expenses

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sub-contractor charges	21,03,12,391	37,11,42,631
Rent (refer note 39)	6,00,86,148	12,02,48,503
Power and Fuel	2,11,09,519	1,66,60,578
Repairs & maintenance		
- buildings	1,38,91,949	2,30,81,606
- security charges of building	1,33,27,738	1,91,31,028
- plant and machinery	38,87,590	47,86,307
- others	1,75,206	2,55,908
Auditors' Remuneration (refer note 31.1)	13,00,000	9,00,000
Legal and professional fees	63,48,377	1,31,94,756
Rates and taxes	9,56,559	1,58,311
Printing and stationery	59,25,234	58,97,155
Freight charges	1,03,72,621	48,77,533
Travelling and conveyance	55,46,072	33,50,869
Communication expenses	1,22,10,726	1,81,55,278
Impairment loss allowance on financial assets, net [refer note 33(i)]	45,93,568	21,30,601
Equipment hire charges	23,11,948	20,47,769
Bank charges	43,81,702	59,98,504
Business promotion and advertisement expenses	4,20,670	-
Foreign exchange loss, net	59,349	-
Miscellaneous expenses	11,55,358	6,98,438
	37,83,72,725	**61,27,15,774**

31.1 Remuneration to auditors (exclusive of goods and services tax)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory Audit	11,50,000	7,50,000
Tax Audit	1,50,000	1,50,000
	13,00,000	**9,00,000**

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32 Financial instruments - fair value and risk management

Financial instruments by category

(Amount in INR)

Particulars	Note	31 March 2020			31 March 2019		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets:							
Loans	5 and 13	-	-	2,27,10,985	-	-	2,26,54,986
Trade receivables	10	-	-	16,95,26,219	-	-	23,56,57,436
Cash and cash equivalents including other bank balances	11 and 12	-	-	9,56,99,534	-	-	12,34,13,864
Unbilled revenue	14	-	-	2,45,71,187	-	-	3,02,51,773
Other financial assets	15	-	-	17,21,277	-	-	6,22,576
Total financial assets		-	-	31,42,29,202	-	-	41,26,00,635
Financial liabilities:							
Trade payables	21	-	-	7,27,23,268	-	-	18,89,55,480
Other financial liabilities	22	-	-	14,61,85,770	-	-	4,89,27,771
Total financial liabilities		-	-	21,89,09,038	-	-	23,78,83,250

Accounting classification and fair value
The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy
The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:
a) recognised and measured at fair value
b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

Fair value hierarchy
Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

The Company is disclosing all the financial assets and liabilities at carrying value and the Company does not have any financial instrument like investment in equity shares, preference shares, debenture, convertible loan etc. which needs to fair valued or classified to the level prescribed under the Indian Accounting Standard.

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33 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk:
- Liquidity risk; and
- Market risk

Risk management framework

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current asset. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Credit risk on cash and cash equivalents and other bank balances and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loan represents security deposits given to suppliers, employees and others. The credit risk associated with such deposits is relatively low.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base. The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 31 March 2020 and 31 March 2019 are as follows:

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are due for more than specific number of days. Loss rates are based on actual credit loss experience over the last six quarters.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:

As at 31 March 2020

(Amount in INR)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether trade receivable is credit impaired	Carrying amount of trade receivables
Not due	4,97,96,618	0.04%	20,184	No	4,97,76,434
1-90 days	9,50,40,778	0.21%	2,02,118	No	9,48,38,660
91-180 days	2,23,41,500	5.09%	11,38,247	No	2,12,03,253
181-270 days	12,21,092	5.74%	70,112	No	11,50,980
271-360 days	31,97,650	20.04%	6,40,758	No	25,56,892
Above 360 days	68,42,383	100%	68,42,383	No	-
	17,84,40,021		**89,13,802**		**16,95,26,219**

As at 31 March 2019

(Amount in INR)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether trade receivable is credit impaired	Carrying amount of trade receivables
Not due	6,89,89,507	0.16%	1,07,330	No	6,88,82,177
1-90 days	15,00,92,441	0.26%	3,89,035	No	14,97,03,406
91-180 days	77,63,451	0.99%	76,883	No	76,86,568
181-270 days	39,91,946	2.17%	86,569	No	39,05,377
271-360 days	63,31,292	13.45%	8,51,386	No	54,79,907
Above 360 days	28,09,031	100%	28,09,031	No	-
	23,99,77,670		**43,20,234**		**23,56,57,435**

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(Amount in INR)

Particulars	31 March 2020	31 March 2019
Balance as at the beginning of the year	43,20,234	-
Additions through business combination	-	21,89,633
Impairment loss allowances recognised/(reversed)	45,93,568	21,30,602
Less: Amounts written off	-	-
Balance as at the end of the year	**89,13,802**	**43,20,234**

ii) **Liquidity risk**

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

i) Financing arrangement

The Company maintains the following line of credit:

The Company has taken cash credit facilities having interest rate of 1.5%+ 1m MCLR (Presently 9.3% p.a.) payable at monthly intervals. The facilities are repayable on demand and are secured primarily by way of exclusive charge on the entire current assets, both present and future, of the Company. Exclusive collateral charge on the entire movable fixed assets, both present and future, of the Company.

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(Amount in INR)

Particulars	31 March 2020	31 March 2019
Expiring within one year (cash credit)	20,00,00,000	20,00,00,000

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2020

(Amount in INR)

Particulars		Contractual cash flows			
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Trade payables	Company overview and Significa		1 & 2	-	-
Other financial liabilities	14,61,85,770	14,61,85,770	-	-	-
Other current liabilities	15,72,24,106	15,72,24,106	-	-	-

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As at 31 March 2019

(Amount in INR)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Trade payables	18,89,55,480	18,89,55,480	-	-	-
Other financial liabilities	4,89,27,771	4,89,27,771	-	-	-
Other current liabilities	19,65,16,237	19,65,16,237	-	-	-

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long-term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Company is not exposed to significant currency risk as the revenue and expenses are denominated only in Rupees.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk as reported to management is as follows:

(Amount in INR, except amount in foreign currency)

Particulars	Currency	As at 31 March 2020		As at 31 March 2019	
		Foreign currency*	Amount in Reporting Currency	Foreign currency*	Amount in Reporting Currency
Trade and other receivables	USD	-	-	96,309	66,60,241

The following significant exchange rates have been applied

Particulars	Year end spot rate	
	31 March 2020	31 March 2019
USD/ Reporting currency	-	69.16

Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the USD against Reporting currency at 31 March 2020 and 31 March 2019 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(Amount in INR)

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2020				
USD (1% movement)	-	-	-	-
31 March 2019				
USD (1% movement)	66,602	(66,602)	44,371	(44,371)

ii) Interest rate risk

The Company does not have any outstanding borrowing amount as at 31 March 2020, hence the Company is not exposed to any interest rate risk.

iii) Price risk

(a) Price risk exposure

The Company does not have any investments held in mutual fund units which are classified as fair value through profit or loss in financial statements, hence the Company is not exposed to any price risk.

34 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing, current borrowing, current maturities of long-term borrowings and current maturities of finance lease obligations less cash and cash equivalents.

The Company's policy is to keep the ratio below 2.50. The Company's adjusted net debt to equity ratio is as follows:

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Gross debt	52,60,54,692	44,34,14,475
Less: Cash and cash equivalents	7,57,44,604	10,73,38,934
Adjusted net debt	**45,03,10,087**	**33,60,75,540**
Total equity	29,71,71,817	27,95,80,447
Equity	**29,71,71,817**	**27,95,80,447**
Net debt to equity ratio	**1.52**	**1.20**

QDIGI SERVICES LIMITED

35 Capital commitments

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	2,64,14,047	22,70,416
	2,64,14,047	**22,70,416**

There are no other contingent liabilities and commitments which is not provided for.

36 Earnings per share

(Amount in INR except number of shares and per share data)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Nominal value of equity shares (amount per share)	10	10
Net profit/(loss) after tax for the purpose of earnings per share	(3,22,63,346)	(1,62,91,698)
Weighted average number of shares used in computing basic earnings per share	50,74,516	50,00,000
Basic earnings per share	**(6.36)**	**(3.26)**
Weighted average number of shares used in computing diluted earnings per share	50,74,516	50,00,000
Diluted earnings per share	**(6.36)**	**(3.26)**

Computation of weighted average number of shares

(Amount in numbers)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Number of equity shares outstanding at beginning of the year	**50,00,000**	**1,00,000**
Add: Weighted average number of equity shares issued during the year		
-Issue of 49,00,000 lakhs shares on 1 April 2018	-	49,00,000
-Issue of 3,49,650 shares on 13 Jan 2020 for 78 days	74,516	-
Weighted average number of shares outstanding at the end of year for computing basic earnings per share	**50,74,516**	**50,00,000**
Add: Impact of potentially dilutive equity shares	-	-
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	**50,74,516**	**50,00,000**

37 Earnings in foreign currency

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of services and spares	-	3,25,77,774
	-	**3,25,77,774**

38 Related party disclosures

(i) Name of related parties and description of relationship:

- Holding Company	**Company overvi**ι 1 & 2
- Entities having significant influence	Fairfax Financial Holdings Limited HWIC Asia Fund (w.e.f. 26 August 2019) Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019) Thomas Cook (India) Limited (upto 6 December 2019) Fairfax (US) Inc. National Collateral Management Services Limited
- Subsidiaries, associates and joint venture	Refer note (ii)
- Entity having common directors	Monster.com (India) Private Limited Terrier Security Services (India) Private Limited
- Entities in which key managerial personnel have significant influence	Careworks Foundation

QDIGI SERVICES LIMITED

Key executive management personnel

Manoj Jain	Director (till Aug'19,2019)
Subramanian Ramakrishnan	Director (from Aug'19,2019 till date)
Srinivasan Guruprasad	Director
Lohit Bhatia	Director
Mangesh Gawande	Chief Executive Officer (till June'30,2019)
Abhijeet Mukjherjee	Chief Executive Officer (from July'1,2019 to January'19 2020)
Deven Sharma	Chief Executive Officer (from January'20 2020 till present)
M.S. Kalsi	Chief Operating Officer
Abraham Mammen	Company secretary (till January 22, 2020)

(ii) **List of subsidiaries (including step-subsidiaries), associates and joint venture**

Name of the entity	Nature of relation	Country of domicile
Coachieve Solutions Private Limited*	Subsidiary	India
MFX Infotech Private Limited	Subsidiary	India
Aravon Services Private Limited*	Subsidiary	India
Brainhunter Systems Ltd.	Subsidiary	Canada
Mindwire Systems Limited	Subsidiary	Canada
Quess (Philippines) Corp.	Subsidiary	Philippines
Quess Corp (USA) Inc.	Subsidiary	USA
Quesscorp Holdings Pte. Ltd	Subsidiary	Singapore
Quess Corp Vietnam LLC	Subsidiary	Vietnam
Quessglobal (Malaysia) SDN. BHD.	Subsidiary	Malaysia
Quess Corp Lanka (Private) Limited	Subsidiary	Sri Lanka
Comtel Solutions Pte. Ltd.	Subsidiary	Singapore
MFXchange Holdings, Inc.	Subsidiary	Canada
MFXchange US, Inc.	Subsidiary	USA
MFX Chile SpA	Subsidiary	Chile
Dependo Logistics Solutions Private Limited	Subsidiary	India
CentreQ Business Services Private Limited*	Subsidiary	India
Excelus Learning Solutions Private Limited	Subsidiary	India
Conneqt Business Solutions Limited	Subsidiary	India
Vedang Cellular Services Private Limited	Subsidiary	India
Master Staffing Solutions Private Limited*	Subsidiary	India
Golden Star Facilities and Services Private Limited	Subsidiary	India
Comtelpro Pte. Limited.	Subsidiary	Singapore
Comtelink Sdn. Bhd	Subsidiary	Malaysia
Monster.com (India) Private Limited	Subsidiary	India
Monster.com.SG PTE Limited	Subsidiary	Singapore
Monster.com HK Limited	Subsidiary	Hong Kong
Agency Pekerjaan Quess Recruit Sdn. Bhd	Subsidiary	Malaysia
Quesscorp Management Consultancies	Subsidiary	Dubai, UAE
Quesscorp Manpower Supply Services LLC	Subsidiary	Dubai, UAE
Brainhunter Company LLC	Subsidiary	Canada
Greenpiece Landscapes India Private Limited	Subsidiary	India
Simpliance Technologies Private Limited	Subsidiary	India
Allsec Technologies Limited	Subsidiary	India
Allsectech Inc., USA	Subsidiary	USA
Allsectech Manila Inc., Philippiness	Subsidiary	Philippines
Retreat Capital Management Inc., USA	Subsidiary	USA
Trimax Smart Infraprojects Private Limited	Subsidiary	India
Quess Corp Services Limited	Subsidiary	Bangladesh
Terrier Security Services (India) Private Limited	Associate	India
Heptagon Technologies Private Limited	Associate	India
Quess East Bengal FC Private Limited	Associate	India
Quess Recruit, Inc.	Associate	Philippines
Agency Pekerjaan Quess Recruit SDN. BHD.	Associate	Malaysia
Himmer Industrial Services (M) SDN. BHD.	Joint venture	Malaysia

** Merged w.e.f 1 April 2019 pursuant to approval from the Regional Direcor, South East Region, MCA.*

QDIGI SERVICES LIMITED

(iii) Related party transactions

(Amount in INR)

Particulars	Name of the entity	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations			
	Quess Corp Limited	72,65,408	62,80,838
	Monster.com (India) Private Limited	41,480	-
	Allsec Technologies Limited	2,00,681	-
	Master Staffing Solutions Private Limited	70,551	-
	Go Digit General Insurance Limited	42,48,695	-
Expenses incurred by Company on behalf of related party			
	Quess Corp Limited	-	21,61,951
Employee benefit expenses			
	Quess Corp Limited	15,00,000	-
Intangible asset under development			
	Quess Corp Limited	4,49,601	-
Other expenses			
	Quess Corp Limited	85,15,862	2,33,16,118
	Coachieve Solutions Private Limited	12,51,65,323	9,34,48,645
	Monster.com (India) Private Limited	-	63,35,165
	Terrier Security Services (India) Private Limited	1,32,92,616	1,61,70,856
	Allsec Technologies Limited	7,96,500	-
Finance costs			
- Interest expense	Quess Corp Limited	-	14,36,795
Payment made by related parties on behalf of the Company			
	Quess Corp Limited	5,15,68,104	6,64,75,461
Availment/(repayments) of loans from related parties			
Availment of loans from related parties	Quess Corp Limited	-	29,68,00,000
Repayment of loans from related parties	Quess Corp Limited	-	29,68,00,000

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in INR)

Particulars	Name of the entity	As at 31 March 2020	As at 31 March 2019
Trade receivables (gross of loss allowance)			
	Quess Corp Limited	6,23,166	70,58,475
	Monster.com (India) Private Limited	40,922	-
	Allsec Technologies Limited	2,36,804	-
	Master Staffing Solutions Private Limited	41,625	-
	Go Digit General Insurance Limited	5,54,684	-
Trade payables			
	Quess Corp Limited	27,17,718	35,57,154
	Terrier Security Services (India) Private Limited	8,73,647	73,92,249
	Coachieve Solutions Private Limited	1,05,333	1,28,64,366
	Monster.com (India) Private Limited	1,18,000	6,36,768
	Allsec technologies limited	4,85,962	-
Other current financial liabilities			
	Quess Corp Limited	5,15,68,104	
Provision for expense			
	Quess Corp Limited	5,07,950	14,99,175
	Terrier Security Services (India) Private Limited	11,36,500	21,64,725
	Coachieve Solutions Private Limited	-	9,83,221
Interest payable			
	Quess Corp Limited	43,364	43,364
Guarantee taken			
	Quess Corp Limited	40,00,00,000	40,00,00,000

(v) Compensation of key managerial personnel

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and other employee benefits to whole-time directors and executive officers *		
Mangesh Gawande (CEO)	39,51,456	80,69,973
Abhijeet Mukherjee	88,74,255	-
Deven Sharma	28,45,161	-
M S Kalsi	84,26,996	-
	2,40,97,868	**80,69,973**

*Salary does not include cost of employee benefits such as gratuity and compensated absences and employee share-based payment since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

39 Lease Liability

(Amount in INR)

Particulars	As at 31 March 2020
Current lease liability	4,53,18,579
Non-current lease liability	13,26,51,800
Total	**17,79,70,379**

The following is the movement in lease liabilities *(Amount in INR)*

Particulars	As at 31 March 2020
Operating lease recognised on adoption of Ind AS 116	12,44,81,260
Reclassification on adoption of Ind AS 116	-
Add: Additions	9,52,07,861
Add: Additions through business combination	-
Less: Deletion	(52,27,642)
Add: Finance cost accrued during the period	1,56,43,910
Less: Payment of lease obligation	(5,21,35,010)
Translation loss / (gain)	-
Carrying amount as at 31 March 2020	17,79,70,379

Amount recognised in Profit and loss statement: *(Amount in INR)*

Particulars	For the year ended 31 March 2020
Interest expense (included in finance cost)	1,56,43,907
Expenses relating to short-term lease (included in other expenses)	5,90,68,080
Expenses relating to lease of low value assets that are not included above (included in other expenses)	-
	7,47,11,987

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2020 on an undiscounted basis: *(Amount in INR)*

Particulars	For the year ended 31 March 2020
Less than one year	3,63,63,300
One to five years	6,00,23,069
More than five years	-
	9,63,86,369

Rental expense recorded for short-term leases was Rs.59,068,080 for the year ended 31 March 2020 and Rs.1,19,589,268 for the year ended 31 March 2019.

Changes in accounting policies

The Company has consistently applied the accounting policies to all periods presented in these financials statements, except for adoption of Ind AS 116, leases as per the Ministry of Corporate affairs notification on March 30, 2019.

As per the standard the Company has adopted Modified retrospective approach method effective 01 April,2019, and accordingly, the comparatives have not been restated retrospectively. In the statement of Profit & loss for the current period, the nature of expenses in respect of Operating leases has been changed from lease rent in previous period to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability.

Further transition adjustments, of any, arising from refinements or authoritative interpretation guidance will be prospectively recognized.

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40 Assets and liabilities relating to employee benefits

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Net defined benefit liability, gratuity plan	67,37,934	57,07,090
Liability for compensated absences	52,92,289	33,07,897
Total employee benefit liability	**1,20,30,223**	**90,14,987**
Current [refer note 23]	37,13,077	30,92,460
Non-current [refer note 19]	83,17,146	59,22,527
	1,20,30,223	**90,14,987**

The Company has reviewed and reassessed the presentation of defined benefit obligations. Consequently, an amount of INR 11,079 representing current portion of provision for gratuity for Associate employees as at 31 March 2020, has been classified under "non-current provisions".

The Company operates the following post-employment defined benefit plans.

The Company has a defined benefit gratuity plan in India (Plan A), governed by the Payment of Gratuity Act, 1972. Plan A entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of 15 days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A Reconciliation of net defined benefit liability/ asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its components:

(Amount in INR)

Particulars	31 March 2020		31 March 2019	
	Core employees	Associate employees	Core employees	Associate employees
Reconciliation of present value of defined benefit obligation				
Obligation at the beginning of the year	57,07,089	-	-	-
Additions through business combination	-	-	62,23,790	-
Current service cost	11,87,505	11,27,253	9,20,331	-
Interest cost	3,86,034	-	4,19,808	-
Past service cost	-	-	-	-
Benefit settled	(18,58,270)	-	(11,28,927)	-
Actuarial (gains)/ losses recognised in other comprehensive income				
- Changes in experience adjustments	(83,117)	-	(7,27,913)	-
- Changes in demographic assumptions	(289)	-	-	-
- Changes in financial assumptions	2,71,728	-	-	-
Obligation at the end of the year	**56,10,680**	**11,27,253**	**57,07,089**	**-**
Net defined benefit liability	**56,10,680**	**11,27,253**	**57,07,089**	**-**

B i) Expense recognised in statement of profit or loss

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	23,14,758	9,20,331
Interest cost	3,86,034	4,19,808
Past service cost	-	-
Interest income	-	-
Net gratuity cost	**27,00,792**	**13,40,139**

ii) Re-measurement recognised in other comprehensive income

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of the net defined benefit liability	1,88,322	(7,27,913)
Remeasurement of the net defined benefit asset	-	-
	1,88,322	**(7,27,913)**

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C Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Core employees	Associate employees	Core employees	Associate employees
Discount rate	5.30%	5.05%	6.75%	Not Applicable
Future salary growth	6.00%	7.00%	6.00%	
Attrition rate	30.00%	40.00%	30.00%	
Average duration of defined benefit obligation (in years)	58	58	58	

D Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Amount in INR)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	54,20,342	58,13,773	55,28,978	58,96,100
Future salary growth (1% movement)	58,10,440	54,19,815	58,90,241	55,29,109
Attrition rate (50% movement)	50,68,564	64,20,859	55,05,761	58,92,088

Associate employees

(Amount in INR)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	10,60,705	11,99,141	-	-
Future salary growth (1% movement)	11,97,102	10,61,279	-	-
Attrition rate (50% movement)	2,31,796	36,84,956	-	-

Dues to micro, small and medium enterprises

41 Segment reporting

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Company is in the business of after sales services i.e. repair and maintenance of handheld phones and consumer electronics under inwarranty and outwarranty which are covered under similar arrangements and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The Company caters to the needs of only the Indian market. Accordingly, there are no reportable secondary geographical segments.

SERVICES

42 Revenue from Contracts with customers

(i) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers by geography for the year ended 31 March 2020 and 31 March 2019. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Sale of services

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenues by Geography		
India	1,88,15,21,164	1,67,41,87,885
Rest of the World	-	3,25,77,774
Total	**1,88,15,21,164**	**1,70,67,65,659**

(ii) Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.
Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables'	16,95,26,219	23,56,57,436
Contract assets (Unbilled revenue)	2,45,71,187	3,02,51,773
Contract liabilities (Unearned revenue & Advance r'd from customers)	-	-

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2020 and 31 March 2019:

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning	3,02,51,773	4,31,76,678
Add : Revenue recognized during the period	1,88,15,21,164	1,70,67,65,658
Less : Invoiced during the period	1,88,72,01,750	1,71,96,90,563
Balance at the end	**2,45,71,187**	**3,02,51,773**

The company has not booked any unearned revenue during the current and previous year.

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.
However the Company is not required to disclose the value of remaining performance obligations for
(i) contracts with an original expected duration of one year or less and
(ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).
Since the contract has only single performance obligation of completion of service to the satisfaction of customer.
The Company does have any remaining performance obligation for which transaction price is yet to be recognised.

QDIGI SERVICES LIMITED

43 Bank Guarantees Outstanding

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Apple India Private Limited	10,00,000	10,00,000
Mepro Technology (India) Co Private Limited	20,00,000	20,00,000
Samsung India Electronics Private Limited	10,85,14,930	9,87,14,930
Xiaomi Technology India Private Limited	5,80,00,000	5,80,00,000
Mobitech Creations Private Limited	1,25,00,000	-
Harman International India Private Limited	20,00,000	-
Daikin Airconditioning India Private Limited	10,00,000	-
	18,50,14,930	**15,97,14,930**

44 The Company purchased CARE business, a division of HCL Services Limited on slump sale basis which was approved by HCL Infosystems Limited (the holding Company of HCL Services Ltd) in its meeting held on 31.01.2018 and then transfer the entire shareholding of QDigi Services Limited to Quess Corp Limited for a total consideration of Rs.3,000 lacs.

Pursuant to above, HCL Services Limited has transferred CARE Business having net assets value of Rs. 1,138.47 lacs to Qdigi Services Limited at a consideration of Rs.2,981 lacs. On such transfer, Rs.1,842.53 lacs, being the difference of the net assets received and the consideration paid was transferred to goodwill.

During the year, balance consideration payable of Rs.147.2 lakhs was paid to HCL as per the Closing Letter agreement to Master Agreement and Business Transfer Agreement (BTA") dated 29 August, 2019 ("The Closing Letter").
After the adjustment, excess consideration payable of Rs.162 lakhs is booked as other income.

The date of acquisition of Qdigi Services Ltd. by Quess Corp Ltd. is 1 April 2018 . However, entire shareholding of Qdigi Services Limited has been transferred to Quess Corp Limited on 11.04.2018.

45 In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.
The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

46 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date.

for **MSKA & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226

Place: Hyderabad, INDIA
Date: May 5, 2020

for and on behalf of the Board of Directors of
Qdigi Services Limited (formerly known as HCL Computing Products Limited)
CIN: U52100DL2012PLC238730

Subramanian Ramakrishnan
Director
DIN: 03522114

Place: Bengaluru, INDIA
Date: May 5, 2020

Srinivasan Guruprasad
Director
DIN: 0007596207

Place: Bengaluru, INDIA
Date: May 5, 2020

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Quess East Bengal FC Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Quess East Bengal FC Private Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2020**, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows 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 'standalone Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and loss and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis For Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 37 in the financial statements, which indicates that the Company is in contemplation with East Bengal Club ("Club") to acquire their interest in the company in lieu of the Sporting rights, which is critical to the operation of the company. These events or conditions indicate that a material

Jupiter-2, #190, 5th Cross, 3rd Main, MICO Layout
BTM 2nd Stage, Bangalore - 560076, INDIA.

Tel : +91 80 6816 4000
Fax : +91 80 6816 4001

Email : info@vscaglobal.com
web : www.vscaglobal.com

uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report.

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.

Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.

2) As required by Section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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, Statement of Cash Flows 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 standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act;

e. On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

   i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note 28 in the financial statements.

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For **Vasan & Sampath LLP**
Chartered Accountants
(Firm Registration Number: 004542S/S200070)

Unnikrishnan Menon
Partner
Membership number: 205703
UDIN: 20205703AAAABG5501

Place: Bangalore
Date: 3rd June 2020

Quess East Bengal FC Private Limited

Annexure A to the Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and regulatory Requirements' section of our report to the members of Quess East Bengal FC Private Limited of even date)

i.

a. The Company does not have any tangible fixed assets and hence reporting under this clause does not arise.

b. The Company does not have any tangible fixed assets and hence reporting under this clause does not arise.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held in the name of the Company.

ii. As explained to us and according to the information and explanation given to us physical verification of the inventories has been conducted by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. As explained to us and according to the information given and explanation given to us, the Company has not granted any loans to related parties. Accordingly, reporting under clause(iii) of Para 3 of CARO 2016 is not applicable to the company.

iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans to directors, has not made any investments or provided any guarantee, security in terms of section 185 and 186 of the Companies Act, 2013. Accordingly, reporting under clause (iv) of Para 3 of CARO 2016 is not applicable to the company.

v. The Company has not accepted any deposits from the public during the year. Therefore, the provisions of Clause (v) of Para 3 of CARO 2016 order are not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, the Company is not required to maintain cost records as per section 148 of Companies Act, 2013. Therefore, the provisions of Clause (vi) of Para 3 of CARO 2016 order are not applicable to the Company.

vii.

a) According to the information given and explanation given to us, the company has generally been regular in depositing undisputed statutory dues, including Provident fund, Employees'

State insurance, Income Tax, GST, and other statutory dues applicable to it with the appropriate authorities.

As explained to us, the Company did not have any undisputed amounts outstanding as on the last day of the financial year for the period of more than six months.

b) There are no dues of income tax, goods and service tax or other statutory dues which are not deposited on account of any dispute as on March 31, 2020.

viii. The Company has not taken any loans or borrowings from financial institutions, bank and government. Therefore, the provisions of Clause (viii) of Para 3 of CARO 2016 order are not applicable to the Company.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause (ix) of Para 3 of CARO 2016 is not applicable.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. Accordingly, Clause (x) of Para 3 of CARO 2016 is not applicable to the company.

xi. In our opinion and according to the information and explanations given to us, Sec 197 read with Schedule V to the Companies Act is not applicable to a Private company and hence Clause (xi) of Para 3 of CARO 2016 is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Clause (xii) of Para 3 of CARO 2016 is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence reporting under Clause (xiv) of Para 3 of CARO 2016.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Clause (xv) of Para 3 of CARO 2016 is not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership number: 205703
UDIN: 20205703AAAABG5501

Place: Bangalore
Date: 3rd June 2020

Quess East Bengal FC Private Limited

Annexure B to the Auditors' Report

(referred to in paragraph 2(f) under 'Report on Other Legal and regulatory Requirements' section of our report to the members of Quess East Bengal FC Private Limited of even date)

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 Quess East Bengal FC Private Limited ('the Company') as of 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

The Board of Directors of the company 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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[1] and the Standards on Auditing prescribed under Section 143(10), 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

[1] Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 the 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, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 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 **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership number: 205703
UDIN: 20205703AAAABG5501

Place: Bangalore
Date: 3rd June 2020

QUESS EAST BENGAL FC PRIVATE LIMITED
(An Associate of Quess Corp Limited)
Balance Sheet

(Amount in INR)

Particulars	Note	31-Mar-2020	31-Mar-2019
ASSETS			
Non-current assets			
Intangible asset	3	40,833,977	40,833,977
Total non-current assets		40,833,977	40,833,977
Current assets			
Inventories	4	1,798,672	189,059
Financial assets			
(ii) Trade receivables	5	89,995	14,408,044
(iii) Cash and cash equivalents	6	24,591,206	37,745,144
(v) Current loans	7	2,517,701	1,269,501
Other current assets	8	38,516,872	14,115,557
Total current assets		67,514,446	67,727,305
Total assets		108,348,423	108,561,282
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	14,785,710	14,785,710
Other equity	10	(207,086,121)	(17,975,496)
Total equity		(192,300,411)	(3,189,786)
Liabilities			
Non-current liabilities			
Provisions	11	313,129	131,248
Total non current liabilities		313,129	131,248
Current liabilities			
Financial liabilities			
(i) Borrowings	12	242,852,072	76,919,389
(ii) Trade payables	13	2,193,542	24,070,233
(iii) Other current financial liabilities	14	42,897,927	4,486,569
Current provisions	15	249,539	104,594
Other current liabilities	16	12,142,625	6,039,036
Total current liabilities		300,335,705	111,619,820
Total Liabilities		300,648,834	111,751,068
Total Equity and Liabilities		108,348,423	108,561,282

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No:004542S/S200070

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

3/6/2020

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 26th May 2020

for and on behalf of Board of Directors of
QUESS EAST BENGAL FC PRIVATE LIMITED

Ajit Isaac
Director
DIN:00087168

Subrata Kumar Nag

Subrata Kumar Nag
Director
DIN:02234000

Sanjit Sen
Chief Executive officer

QUESS EAST BENGAL FC PRIVATE LIMITED
(An Associate of Quess Corp Limited)
Statement of Profit and Loss

Statement of profit and loss	Note	For the year ended 31-Mar-2020	For the period 13th July 2018- 31st March 2019
Income			
Revenue from operations	17	42,421,829	22,805,370
Total income		42,421,829	22,805,370
Expenses			
Cost of material and stores and spare parts consumed	18	1,045,452	231,556
Employee benefit expenses	19	10,306,911	7,156,142
Finance costs	20	2,996,293	2,779,798
Other expenses	21	217,183,797	159,184,760
Total expenses		231,532,453	169,352,256
Profit before share of profit of equity accounted investees and income tax to be added before that		(189,110,624)	(146,546,886)
Share of profit of equity accounted investees (net of income tax)		-	-
Profit/(loss) for the Period before tax		(189,110,624)	(146,546,886)
Tax expense	22		
Current tax	22	-	-
Adjustments of tax relating to earlier periods	22	-	-
Deferred tax	22	-	-
Income tax expenses		-	-
Profit for the period		(189,110,624)	(146,546,886)
Total comprehensive income for the period		(189,110,624)	(146,546,886)
Earnings per equity share (face value of 10 each)			
Basic		(127.89)	(99.11)
Diluted		(127.89)	(99.11)

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No:004542S/S200070

for and on behalf of Board of Directors of
QUESS EAST BENGAL FC PRIVATE LIMITED

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

2/6/2020

Unnikrishnan Menon
Partner
Membership No. 205703

Ajit Isaac
Director
DIN:00087168

Subrata Kumar Nag
Director
DIN:02234000

Sanjit Sen
Chief Executive officer

Place: Bengaluru
Date: 26th May 2020

QUESS EAST BENGAL FC PRIVATE LIMITED
(An Associate of Quess Corp Limited)
Statement of Changes in Equity for the year ended 31 March 2020

(Amount in INR)

Particulars	Share Capital	Other Equity				Total Equity attributable to Equity holders of the Company
		Securities Premium	Retained Earnings	Other Reserves	Other Items of Other comprehensive Income	
Balance as of 1 April 2018	-	-	-	-	-	-
Add. Increase in Share Capital	14,785,710	-	-	-	-	14,785,710
Add: Premium received on Issue of Shares	-	128,571,390	-	-	-	128,571,390
Add: Profit for the Period	-	-	(146,546,886)	-	-	(146,546,886)
Add: Fair value of financial guarantee received	-	-	-	-	-	-
Less: Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	-	-
Balance as of 31 March 2019	14,785,710	128,571,390	(146,546,886)	-	-	(3,189,786)
Balance as of 1 April 2019	14,785,710	128,571,390	(146,546,886)	-	-	(3,189,786)
Add: Increase in Share Capital	-	-	-	-	-	-
Add: Premium received on Issue of Shares	-	-	-	-	-	-
Add: Profit for the Period	-	-	(189,110,624)	-	-	(189,110,624)
Add: Fair value of financial guarantee received	-	-	-	-	-	-
Less: Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	-	-
Balance as of 31 March 2020	14,785,710	128,571,390	(335,657,511)	-	-	(192,300,411)

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 305703

Place: Bengaluru
Date: 26th May 2020

BANGALORE INDIA
VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS

3/6/2020

for and on behalf of Board of Directors of
QUESS EAST BENGAL FC PRIVATE LIMITED

Ajit Isaac
Director
DIN:00087168

Subrata Kumar Nag
Director
DIN:02250092

Sanjit Sen
Chief Executive officer

QUESS EAST BENGAL FC PRIVATE LIMITED
(An Associate of Quess Corp Limited)
Statement of Cash Flows

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the period 13th July 2018- 31st March 2019
Cash flows from operating activities		
Profit After tax	(189,110,624)	(146,546,886)
Operating cash flows before working capital changes	(189,110,624)	(146,546,886)
Changes in operating assets and liabilities		
(Increase) / Decrease in inventories	(1,609,613)	(189,059)
(Increase) / Decrease in trade receivables	14,318,049	(14,408,044)
(Increase) / Decrease in loans	(1,248,200)	(1,269,501)
(Increase) / Decrease in other current assets	(24,401,315)	(14,115,557)
Increase / (Decrease) in Current Financial Liabilities	-	76,919,389
Increase / (Decrease) in trade payables	(21,876,691)	24,070,233
Increase / (Decrease) in other current financial liabilities	38,411,359	4,486,569
Increase / (Decrease) in non-current and current provisions	326,826 00	235,842
Increase / (Decrease) in other current liabilities	6,103,589	6,039,036
Cash generated from operations	(179,086,620)	(64,777,979)
Income taxes paid, net of refund	-	
Net cash provided by operating activities (A)	(179,086,620)	(64,777,979)
Cash flows from financing activities		
Proceeds from issue of equity shares	-	102,523,123
Proceeds from borrowings	165,932,682	
Net cash provided by financing activities (C)	165,932,682	102,523,123
Net increase in cash and cash equivalents (A+B+C)	(13,153,938)	37,745,144
Cash and cash equivalents at the beginning of the year	37,745,144	-
Cash and cash equivalents at the end of the year* (refer Note 7)	24,591,206	37,745,144

As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No:004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 26th May 2020

for and on behalf of Board of Directors of
QUESS EAST BENGAL FC PRIVATE LIMITED

Ajit Isaac
Director
DIN:00087168

Subrata Kumar Nag
Director
DIN:02234000

Sanjit Sen
Chief Executive officer

Company overview and Significant accounting policies

Company overview

Quess East Bengal FC Private Limited, ('the Company') is a private limited company incorporated on 13 July 2018 and domiciled in India. The registered office of the Company is located in Kolkata, India. The Company is engaged in the business of sports and participating in sports tournaments.

Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

2. Basis of preparation

2.1 Statement of compliance

The company being an Associate company of M/s.Quess Corp Ltd., a company whose equity is listed in both Bombay Stock Exchange (BSE) & National Stock Exchange, (NSE). These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The standalone Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.2 Basis of measurement and significant accounting policies

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

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO") and

iii. Contingent consideration in business combinations are measured at fair value.

2.3 Use of estimates and judgement

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is included in the following notes:

i. ***Income taxes:*** Significant judgements are involved in determining provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. The ultimate realization of deferred income tax assets, including Minimum Alternate Tax (MAT), is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities and the projected future taxable income in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

ii. ***Measurement of defined benefit obligations:*** The cost of the defined benefit obligations is based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. All assumptions are reviewed on a periodic basis.

iii. ***Impairment of financial assets:*** The Company assesses on a forward looking basis the expected credit losses associated with financial assets carried at amortised cost.

iv. ***Property, plant and equipment and Intangible assets:*** The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

v. ***Other estimates:*** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

vi. ***Contingent liabilities:*** Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs (except, in the extremely rare circumstances where no reliable estimate can be made).

vii. ***Recognition of deferred tax assets:*** Availability of future taxable profit against which tax losses carried forward can be used.

2.4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.5 Functional and presentation currency

Items included in the financial statements of each of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.6 Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the standalone statement of profit and loss.

Subsequent expenditures relating to property, plant and equipment is capitalized 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. Repairs and maintenance costs are recognized in the standalone statement of profit and loss when incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is classified as capital advances under other non-current assets and the cost of the assets not ready for intended use are disclosed under 'Capital work-in-progress'

ii) Depreciation

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of the items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Straight Line Method ('SLM'), and is recognized in the statement of profit and loss. The Management believes that the useful lives best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary.

The assets residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year end. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

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'.

2.7 Intangible assets

Intangible assets acquired in a business combination (such as brands, customer contracts and customer relationships) are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated and is included in depreciation and amortisation expenses in the statement of profit and loss. The estimated useful life of amortisable intangibles are reviewed and where appropriate are adjusted, annually.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brand, is recognised in the standalone statement of profit and loss as and when incurred.

(iv) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expenses in the standalone statement of profit and loss.

Details regarding useful life of Intangible(Sporting rights) asset in specified in Note 3

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

2.8 Impairment of non-financial assets

Intangible assets and property, plant and equipment 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the standalone statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

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2.9 Leases

Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The company has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The company's lease asset classes primarily consist of Building. The company assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate (As at 1 April 2019 - 9.5%)..

2.10 Inventories

Inventories (raw materials and stores and spares) which comprise of Merchandise are valued at the lower of cost and net realizable value. Cost of inventories comprises purchase price and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell.

Inventories are stated net of write down or allowances on account of obsolete, damaged or slow moving items. The Company assess the obsolescence of inventory on a periodic basis.

2.11Revenue recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective from date of Incorporation

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration it expects to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts are recognized as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation. Certain arrangements are on time and material basis and are recognized as the services are performed as per the terms of the arrangement with the customer.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of service delivery costs.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Refer Note 26 for disclosure related to revenue from contracts with customers.

Policy in case of Unbilled revenue and unearned revenue

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Policy in case of Contract modifications

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price

Policy in case of variable consideration

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled

Policy in case of warranties

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of service delivery costs.

Policy in case of cost of obtaining a contract

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term.

Policy in case of cost of fulfilling a contract

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

Policy in case of significant financing component

The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

Policy in case of Principal vs agent

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

a) Ticket Sales:- Revenue from sale of match tickets recognized only on completion of matches in respect of which tickets are sold.

b) Merchandise Sales:- Revenues from selling merchandise items are recognized at the date of sale. Such revenue is recognized when the risks and rewards associated with the item have been transferred from the seller to the buyer and no significant uncertainty exists as regards the amount of consideration and its collection. The amount recognized as revenue net of returns, trade discounts and quantity discounts.

c) Subsidy and Prize Money:- Revenue from Subsidy and prize money is recognized when there is reasonable assurance of the receipt thereof on the fulfillment of applicable condition stipulated in relevant agreement.

d) Sponsorship Income :- Revenue from Sponsorship Income is recognized when there is reasonable assurance of the receipt thereof on the fulfillment of applicable condition stipulated in sponsorship agreement.

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2.12 Other income

Other income mostly comprises interest income on deposits, dividend income and gain/(loss) on disposal of financial and non-financial assets. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

2.13 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the reporting date.

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 standalone statement of profit or loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in the standalone statement profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

2.14 Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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(i) A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

(ii) A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

(iii) On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-to-investment basis.

(iv) All financial assets not classified at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the standalone statement of profit and loss.
Financial assets at Amortized Cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and loss. Any gain or loss on derecognition is recognised in the standalone statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the standalone statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the standalone statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the standalone statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to standalone statement of profit and loss.

c) Impairment of financial assets

The company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 details how the Company determines whether there has been a significant increase in credit risk.

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In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on financial assets trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL

d)Derecognition of financial assets

A financial asset is derecognised only when:
- The Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

Financial liabilities

a)Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss (FVTPL) or amortised cost.

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.

b)Subsequent measurement

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

Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the standalone statement of profit and loss. Other financial liabilities subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the standalone statement of profit and loss. Any gain or loss is also recognized in the standalone statement of profit and loss.

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Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. 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 that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at FVTPL 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/ losses 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 recognized in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized 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

Derecognition

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

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.
Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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2.15 Employee benefits

(a)Short-term benefit plans

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

(b) Long-term benefit plans

The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972 which entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of 15 days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The company has accordingly estimated the related liability on the same basis and made a Gratuity Provision as at the year end Refer Note 31

2.16 Share based payments

Equity instruments granted to the employees of the Company are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the standalone statement of profit and loss with a corresponding increase to the share-based payment reserve, a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

Amendment to Ind AS 102:

Effective 1 April 2017, Ind AS 102 has been amended which provides specific guidance to measurement of cash-settled awards, modification of cash settled awards and awards that include a net settlement feature in respect of withholding taxes. The amendment did not have any effect on the standalone financial statements. The impact of the above stated amendment to the Company is Nil as the same is not applicable to Company.

2.17Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the Statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

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 reporting date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting 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.

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Deferred tax is not recognised for:

-temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realised. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Ind AS 12 defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

2.18Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with the contract.

2.19Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.20Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.22 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.23 Segment reporting

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The company is a Professional football club based in Kolkata and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The company's management is of the opinion that the company does not have secondary segments and hence segment reporting is not applicable.

2.24 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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QUESS EAST BENGAL FC PRIVATE LIMITED
(An Associate of Quess Corp Limited)
Notes to the financial statements for the year ended 31st March 2020

(Amount in INR)

3. Intangible assets and Intangible assets under development

Particulars	Goodwill	Brand	Customer Relationships	Computer software	Computer software leased	Copyright and trademarks	Total
Opening Balance	-	-	-	-	-	40,833,977	40,833,977
Movement in Opening	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-
Deletion	-	-	-	-	-	-	-
Closing	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-
Closing gross carrying amount at 31st March 2020	-	-	-	-	-	40,833,977	40,833,977
Opening Balance	-	-	-	-	-	-	-
Movement in Opening	-	-	-	-	-	-	-
F_Opening	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-
Closing	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-
Closing gross carrying amount at 31st March 2020	-	-	-	-	-	-	-
Net Carrying amount							
As at 31 Mar 2020	-	-	-	-	-	40,833,977	40,833,977

1.The company has acquired Intangible Assets in the nature of complete Sporting Rights for East Bengal football club, a Kolkata based sporting institution in existence since 1920, as per the SHA dated 5th July 2018. As the sporting right is integral to the existence of the entity and represents the core business of the company, the management is of the view that there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. And accordingly as per Ind AS 38 Intangible assets, the sporting right will be tested for impairment annually.

4 Inventories

Particulars	31-Mar-20	31-Mar-19
Valued at lower of cost and net realizable value		
Sports merchandise	1,798,672	189,059
	1,798,672	189,059

5 Trade receivables

Particulars	31-Mar-20	31-Mar-19
Unsecured		
Considered good	89,995	14,408,044
	89,995	14,408,044

6 Cash and cash equivalents

Particulars	31-Mar-20	31-Mar-19
Cash and cash equivalents		
In current accounts	24,591,206	37,745,144
Cash and cash equivalents in balance sheet	24,591,206	37,745,144

7 Current loans

Particulars	31-Mar-20	31-Mar-19
Unsecured, considered good		
Security deposits	2,517,701	1,269,501
	2,517,701	1,269,501

8 Other current assets

Particulars	31-Mar-20	31-Mar-19
Advances other than capital advances		
Balances with government authorities	32,864,897	13,665,492
Advances to suppliers	3,867,211	-
Income Tax refund	1,265,027	
Prepaid expenses	519,737	450,065
	38,516,872	14,115,557

9 Share capital

Particulars	31-Mar-20	31-Mar-19
Authorised		
20,000,000 equity shares of par value of Rs 10 each	20,000,000	20,000,000
	20,000,000	20,000,000
1478571 equity shares of par value of Rs 10 each, fully paid up	14,785,710	14,785,710
	14,785,710	14,785,710

9.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in INR	Number of shares	Amount in INR
Equity shares				
At the commencement of the year	1,478,571	14,785,710	-	
Shares issued during the Period	-	-	1,478,571	14,785,710
At the end of the year	1,478,571	14,785,710	1,478,571	14,785,710

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Ltd	1,035,000	70.00%	1,035,000	70.00%
East Bengal Club(Represented by following Nominee Shareholders)	428,571	28.99%	428,571	28.99%
Pronob Dasgupta	142,857	9.66%	142,857	9.66%
Debabrata Sarkar	142,857	9.66%	142,857	9.66%
Kalyan Majumdar	71,429	4.83%	71,429	4.83%
Saikat Ganguly	71,428	4.83%	71,428	4.83%
	1,463,571	98.99%	1,463,571	98.99%
Others				
Pronob Dasgupta	5,000	1.69%	5,000	1.69%
Debabrata Sarkar	5,000	0.34%	5,000	0.34%
Kalyan Majumdar	2,500	0,17%	2,500	0.17%
Saikat Ganguly	2,500	0.17%	2,500	0.17%
	15,000	1.01%	15,000	1.01%
Total Shareholding	1,478,571	100.00%	1,478,571	100.00%

9.3 Details of shares issued for consideration other than cash

During the previous year 4,28,571 shares of Face value Rs 10 have been issued for consideration (Sporting Rights) other than cash, to East Bengal Club represented by above Nominee Shareholders.

10 Other equity*

Particulars	31-Mar-20	31-Mar-19
Securities premium account	128,571,390	128,571,390
Retained earnings	(335,657,511)	(146,546,886)
	(207,086,121)	(17,975,496)

For detailed movement of reserves refer Statement of changes in Equity

11 Non-current provisions

Particulars	31-Mar-20	31-Mar-19
Provision for gratuity	313,129	131,248
	313,129	131,248

12 Current borrowings

Particulars	31-Mar-20	31-Mar-19
*Loan from related parties, unsecured**		-
Quess Corp Ltd	242,852,072	76,919,389
	242,852,072	76,919,389

Refer note 30 For related party disclosures

*** The company has availed short term loan from Quess Corp Limited wherein the repayment date should be not exceeding 12 months from the date of disbursement. The interest rate is charged at 10% per annum as per terms of the Agreement***

13 Trade payables

Particulars	31-Mar-20	31-Mar-19
Dues to micro, small and medium enterprises *(Refer note 32)*		-
Trade payables*	2,193,542	24,070,233
	2,193,542	24,070,233

As on 31 March 2020 there are no outstanding amounts due to micro and small enterprises. There are no interests due or outstanding on the same.

****Includes Trade Payables to Related parties(Refer Note 30)***

14 Other current financial liabilities

Particulars	31-Mar-20	31-Mar-19
Provision for expenses	42,447,307	3,332,445
Accrued salaries and benefits	450,621	1,154,124
	42,897,927	4,486,569

15 Current provisions

Particulars	31-Mar-20	31-Mar-19
Provision for employee benefits		
Provision for compensated absences	249,539	104,594
	249,539	104,594

16 Other current liabilities

Particulars	31-Mar-20	31-Mar-19
Advance received from customers	8,532,254	-
Balances payable to government authorities	3,610,371	6,039,036
	12,142,625	6,039,036

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17 Revenue from operations

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
Sale of services	40,577,529	22,354,882
Sale of Goods	1,844,300	450,488
Total	42,421,829	22,805,370

18 Cost of material and stores and spare parts consumed

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
Inventory at the beginning of the year	189,059	-
Add: Purchases	2,655,065	420,615
Less: Inventory at the end of the year	(1,798,672)	(189,059)
Cost of materials and stores and spare parts consumed	1,045,452	231,556

19 Employee benefits expense

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
Salaries and wages	9,524,971	6,796,072
Contribution to provident and other funds	372,035	239,956
Staff welfare expenses	264,960	15,520
Expenses related to compensated absences	144,945	104,594
	10,306,911	7,156,142

20 Finance costs

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
Interest expense *	2,996,293	2,779,798
	2,996,293	2,779,798

Refer Note 30

21 Other expenses

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
Player and Coach fees	122,228,901	95,323,094
Club Operating Expenses	31,732,926	20,755,639
Legal and professional fees	27,846,378	868,697
Travelling and conveyance	15,342,632	25,114,306
Rent	8,029,977	3,116,360
Transfer Fee & Commission	5,185,301	8,944,823
Impairment loss on financial assets	4,170,596	-
Miscellaneous expenses*(Refer Note 36)*	1,504,570	3,447,542
Insurance	441,590	226,113
Business promotion and advertisement expenses	371,560	214,240
Rates and taxes	329,366	1,173,946
	217,183,797	159,184,760

***Auditors' remuneration (net of GST; included in legal and professional fees)**		
Statutory audit	75,000	50,000
	75,000	50,000

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(Amount in INR)

22 Income tax

Income Tax Assets/Liabilities in the Balance Sheet are as follows :-

Particulars	As at 31 March 2020	As at 31 March 2019
Income Tax Refund*	1,265,027	
* *Refer Note 8*	1,265,027	-

A Amount recognized in Profit or Loss

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
Current income tax:		
In respect of the current period	-	-
Short provision of tax relating to earlier years		
*Deferred tax**	-	-
Origination & reversal of temporary differences		
Increase/Reduction of Tax rate		
In respect of the current period		
Income tax expense reported in the statement of profit and loss	-	-
B Income tax recognized in Other comprehensive Income		
Remeasurement of the net defined benefit Liability/Asset		
Before tax		
Tax (expense)/Benefit		
Net of Tax	-	-

The Company has not recognised deferred tax asset as per Note D as at 31st March 2020 due to absence of reasonable certainty of set-off of Unabsorbed losses against taxable Profits in foreseeable future

C **Reconciliation of effective tax rate**

Particulars	Tax Rate %	For the period ended 31 March 2020	For the period ended 31 March 2019
Profit before tax		(189,110,624)	(146,546,886)
Tax using company's domestic tax rate	27.82%	(52,610,576)	(40,769,344)
Effect of:			
Deferred tax not created because realization not probable	-27.82%	52,610,576	40,769,344
Effective tax rate	0.00%	52,610,576	40,769,344
Total income tax expense	0.00%	-	-

The tax rates under Indian Income Tax Act, for the year ended March 31, 2020 - 27.82%

D **The Company has not created deferred tax assets on the following**

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for Compensated absences	40,324	29,098
Provision for Gratuity	50,599	36,513
Losses available for offsetting against future Taxable Income	52,519,653	40,703,733
	52,610,576	40,769,344

The Company has not recognised deferred tax asset as at 31st March 2020 due to absence of reasonable certainty of set-off of Unabsorbed losses against taxable Profits in foreseeable future

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23 Financial instruments - fair value and risk management
Accounting classification and fair value
The following table shows the carrying amount and fair value of financial assets and financial liabilities;

Fair value hierarchy
The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:
a) recognised and measured at fair value
b) measured at amortised cost and for which fair values are disclosed in the financial statements

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

Amount in INR

Particulars	Carrying amount		Fair value		
	31-Mar-20	31-Mar-19	Level 1	Level 2	Level 3
Financial assets					
Amortised cost					
Trade receivable	89,995	14,408,044	-	-	-
Cash and cash equivalents	24,591,206	37,745,144	-	-	-
Loans	2,517,701	1,269,501	-	-	-
Total financial assets	27,198,902	53,422,689	-	-	-

Particulars	Carrying amount		Fair value		
	31-Mar-20	31-Mar-19	Level 1	Level 2	Level 3
Financial liabilities					
Amortised cost					
Loans and borrowings	242,852,072	76,919,389	-	-	-
Trade payables	2,193,542	24,070,333	-	-	-
Other liabilities	42,897,927	4,486,469	-	-	-
Total financial liabilities	287,943,541	105,476,191	-	-	-

Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference shares included in level 3.

Fair valuation method

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

A Financial Assets:

1) Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B Financial Liabilities:

1) **Borrowings:** It includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the loan is reset on a monthly/quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

2) **Finance lease obligations:** The fair value of obligations under finance leases is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

3) **Trade payables and other liabilities:** Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

4) **Financial liability:** The fair value of financial liability has been determined by discounting consideration payable on commitment to sell. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of this put option.

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24 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Board of Directors of QUESS East Bengal FC Pvt Ltd has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customer. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Refer Note 34 w.r.t ECL

Liquidity risk

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

As at 31 March 2020

Particulars	Carrying amount	Contractual cash flows	
		Less than 1 year	1-2 years
Borrowings	242,852,072	242,852,072	-
Trade payables	2,193,542	2,193,542	-
Other financial liabilities	42,897,927	42,897,927	-

Market risk

Market risk is the risk that changes in market prices ,will affect company's income or value of its holding of instruments. Market risk is attributable to all market risk sensitive financial instruments including payables and long term debt. Since the major Customer is primarily based in India, Company's exposure to market risk is significantly lower.

Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company borrowing as at 31st March 2019 comprises only of Loan from entity having Interest which is at a Fixed Interest rate.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:-

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	-	-

25 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing, current borrowing, current maturities of long-term borrowings and current maturities of finance lease obligations less cash and cash equivalents.

The capital structure is as follows :-

Particulars	As at 31 March 2020	As at 31 March 2019
Gross debt	242,852,071.78	76,919,389
Less: Cash and cash equivalents	24,591,206	37,745,144
Adjusted net debt	218,260,865	39,174,245
Total equity	(192,300,411)	(3,189,786)
Less: Effective portion of cash flow hedges and cost of hedging	-	-
Total equity	(192,300,411)	(3,189,786)
Net debt to equity ratio	(1.13)	(12.28)

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26 Revenue from Contracts with customers

(i) Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Invoicing in excess of earnings if any are classified as unearned revenue. The company does have not have any Unbilled /unearned revenue as at the reporting date.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

(Amount in INR)

Particulars	As at 31 March 2020	As at 1 April 2019
Receivables, which are included in 'Trade and other receivables'	89,995	14,408,044
Contract assets (Unbilled revenue)	-	-
Contract liabilities (Unearned revenue & Advance r'd from customers)	-	-

27 Capital commitments

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
	-	-

28 Contingent liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Claims against the company not acknowledged as Debts	3,986,276	3,400,000

i) Pending resolution of the respective proceeding, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/ authorities. The Company is contesting the demand and the Management believes that the outcome of this proceedings will not have material adverse effect on the Company's financial position and results of operations.

ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements

29 Earnings per share

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Nominal value of equity shares (amount per share)	10	10
Net profit after tax for the purpose of earnings per share	-	(146,546,886)
Weighted average number of shares used in computing basic earnings per share	1,478,571	1,478,571
Basic earnings per share	-	**(99.11)**
Weighted average number of shares used in computing diluted earnings per share	-	1,478,571
Diluted earnings per share	-	**(99.11)**

Computation of weighted average number of shares

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Number of equity shares outstanding at beginning of the year	1,478,571	-
Add: Weighted average number of equity shares issued during the year	1,478,571	1,478,571
		-
Weighted average number of shares outstanding at the end of year for computing basic earnings per share	1,478,571	1,478,571
Add: Impact of potentially dilutive equity shares		-
		-
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	1,478,571	1,478,571

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30 Related party disclosures

(i) Name of related parties and description of relationship:

- Entity having Interest in the Company

Quess Corp Ltd

- Entity having significant influence

Fairfax Financial Holdings Limited
Fairfax (US) Inc.
HWIC Asia Fund
Fairbridge Capital (Mauritius) Limited (w e f 6 December 2019)
Thomas Cook (India) Limited (upto 6 December 2019)
Fairfax (US) Inc.
National Collateral Management Services Limited

- Fellow subsidiaries

Conschieve Solutions Private Limited[1]
MFX Infotech Private Limited
Aravon Services Private Limited[1]
Brainhunter Systems Ltd
Mindwire Systems Limited
Brainhunter Companies LLC, USA
Quess (Philippines) Corp
Quess Corp (USA) Inc
Quesscorp Holdings Pte. Ltd
Quessglobal (Malaysia) Sdn. Bhd.
Quess Corp Lanka (Private) Limited
Comtel Solutions Pte. Ltd
Ikya Business Services (Private) Limited
MFXchange Holdings, Inc
MFXchange US, Inc
MFXchange (Ireland) Limited
Quess Corp Vietnam LLC
MPX Chile SpA
Dependo Logistics Solutions Private Limited
CentreQ Business Services Private Limited
Excelus Learning Solutions Private Limited
Inticore VJP Advance Systems Private Limited
Conneqt Business Solution Limited (formerly known as Tata Business Support Services Limited)
Vedang Cellular Services Private Limited
Master Staffing Solutions Private Limited
Golden Star Facilities and Services Private Limited
Comtelpro Pte. Limited
Comtelink Sdn. Bhd
Monster com (India) Private Limited
Monster com SG PTE Limited
Monster com HK Limited
Agensi Pekerjaan Monster Malaysia Sdn. Bhd (formerly known as Monster Malaysia Sdn Bhd)
Qdigi Services Limited (formerly known as: HCL Computing Products Limited)
Greenpiece Landscapes India Private Limited
Simpliance Technologies Private Limited
Trimax Smart Infraprojects Private Limited
Quesscorp Management Consultancies (formerly known as Styracorp Management Services)
Quesscorp Manpower Supply Servcies LLC [formerly known as S M S Manpower Supply Services

- Associates of Holding Company

Heptagon Technologies Private Limited
Terrier Security Services (India) Private Limited
Quess Recruit, Inc.
Agency Pekerjaan Quess Recruit Sdn. Bhd.

- Joint Venture of Holding Company

Himmer Industrial Services (M) Sdn Bhd

- Entity having common directors

Net Resources Investments Private Limited
Isaac Enterprises Private Limited
Iris Capital Ventures Private Limited
Fertility Clinic And Ivf Research Centre Pvt Ltd
Advanced Medicare & Research Institute Limited
Kingfisher East Bengal Football Team Private Limited
Millennium Mri Services Private Limited
Ben Nevis Healthcare Private Limited
Classic Designer & Developer Pvt Ltd
Elegant Pharma Marketing Private Limited
Quaestum Financial Services Private Limited
Allsec Technologies Limited
Avon Facility Management Services Limited
Dependo Logistics Solutions Private Limited
East Bengal Club Private Limited
Finaquest Capital Advisory Services Private Limited
Hofincons Infotech & Industrial Services Private Limited
Magna Infotech Limited
Quaestum Digital Services Private Limited
Quess Corp Limited

Riqueza Consultancy Private Limited

Other Related Parties

East Bengal Club

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Key Managerial Personnel of the reporting entity

Ajit Abraham Isaac	Director
Subrata Kumar Nag	Director
Sanjit Sen	Chief Executive Officer

1. Merged with Quess Corp Limited w.e.f 1 April 2019 pursuant to approval from the Regional Director, South East Region, MCA.

(ii) Related party transactions

(Amount in INR)

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Finance costs			
- Interest expense	Quess Corp Limited	2,996,593	2,779,798
Payments made by related parties on behalf of the Company	Quess Corp Limited	162,936,389	74,767,571
Reimbursement of Expenses	East Bengal Club	2,273,188	16,136,208
Issue of Shares	Quess Corp Limited	-	100,350,000
	East Bengal Club		42,857,100
Sponsorship Income	Comtel PTE ltd	20,149,500	-

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars		As at 31 March 2020	As at 31 March 2019
Current borrowings	Quess Corp Ltd	242,852,072	76,919,389
Reimbursement of Expenses	East Bengal Club	133,000	1,017,080

(iv) Compensation of key managerial personnel

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and other employee benefits to whole-time directors and executive officers:-			
Sanjit Sen	Chief Executive Officer	4,934,725	2,269,852
		4,934,725	2,269,852

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

31 Post Employment benefit

The Company operates the following post-employment defined benefit plan.

The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972 which entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of 15 days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The company has accordingly estimated the related liability on the same basis and made a Gratuity Provision as at the year end.

32 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2019 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

33 Segment Reporting

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The company is a Professional football club based in Kolkata and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The company's management is of the opinion that the company does not have secondary segments and hence segment reporting is not applicable.

34 Comparability with previous period

Previous year figures are reclassified/ regrouped wherever necessary

35 Impact on COVID

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions

36 The company has issued shares worth INR 4,28,57,100 as against the fair value of INR 4,08,33,977 Accordingly the company has written-off the differential amount of INR 20,23,123 during the previous year to the statement of profit and loss being Unidentifiable good or services *
*(*pertains to FY 2018-19)*

37 Subsequent to the reporting date, the Company is in the process of finalizing a termination agreement ("the transaction") with East Bengal Club ("Club") As per the same, the Club nominee shareholders will forego all the rights and benefits attached to their current equity shareholding of 443,571 equity shares representing 10.00% equity stake in the Company. in lieu of transfer of the sporting rights ("Sporting Rights") back to the Club The sporting rights was originally transferred to the Company as consideration other than cash for allotting 428,571 equity shares at a valuation of INR 4,08,33,977 as per the Share subscription and shareholders agreement dated 5th July 2018 among the Company, East Bengal Club and Quess Corp Limited The proposed transfer of the sporting rights to the Club, casts a significant doubt on the ability of the company to continue as a going concern As the management is exploring options available for the future operations, the financial statements have been prepared assuming the Company's ability to continue as a going concern; which may impact the realizable value of assets and ability to discharge its liabilities in the normal course of business The management has carried out a separate impairment testing for sporting rights, as required under Ind AS 36 using an Independent valuation report and concluded that there is no impairment in the asset value as at the reporting date

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No.004542S/S200070

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

Unnikrishnan Menon
Partner
Membership No. 203703

3/6/202

Place: Bengaluru
Date: 26th May 2020

for and on behalf of Board of Directors of
QUESS EAST BENGAL FC PRIVATE LIMITED

Ajit Isaac
Director
DIN:00087168

Subrata Kumar Nag
Director
DIN:02234000

Sanjit Sen
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To,
The Members
Trimax Smart Infraprojects Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Trimax Smart Infraprojects Private Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2020**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Attention is invited to Note 38 of financial statements.

The Settlement and Share Purchase Agreement (SSPA) was executed dated 15th October 2019, pursuant to which, the Resolution Professional of Trimax IT has requested for the assignment of original contract to TSIPL with SCADL; and payment of sale proceeds in total to TSIPL. While the assignment of the contract is pending with SCADL, an amount of Rs.3060.78 lakh has been received from SCADL post the signing of SSPA.

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Jupiter-2, #190, 5th Cross, 3rd Main, MICO Layout
BTM 2nd Stage, Bangalore - 560076, INDIA.

Tel : +91 80 6816 4000
Fax : +91 80 6816 4001

Email : Info@vscaglobal.com
web : www.vscaglobal.com

The year-end balance receivable from SCADL is Rs.11570.46 lakh. Accordingly, the financial impact of rights and obligations under the contract have been recognized in the accompanying financial statements.

Our opinion is not modified in respect of these matters

Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report.

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.

Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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CHARTERED ACCOUNTANTS

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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

2) As required by Section 143 (3) of the Act, we report that;
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    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 standalone financial statements comply with the Indian Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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"; and

g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

   i. the Company does not have any pending litigations and accordingly there is no impact on its financial position;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership number: 205703

VASAN & SAMPATH LLP · CHARTERED ACCOUNTANTS · BANGALORE INDIA

Place: Bengaluru
Date: 26th May 2020

UDIN: 20205703AAAABE7035

ANNEXURE - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Trimax Smart Infraprojects Private Limited of even date)

i. a. The Company does not have any fixed assets. Consequently, comment on clause (i) of the order is not applicable

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties as at March 31, 2020;

ii. The Company's operation does not involve inventory. Consequently, comment on clause (ii) of the order is not applicable;

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Consequently, comment on clause (iii) of the order is not applicable;

iv. The Company has not made any loans and investments, guarantees, and security covered by covered by provisions of Section 185 and 186 of the Act. Consequently, comment on clause (iv) of the order is not applicable

v. The Company has not accepted any deposits from the public. Consequently, comment on clause (v) of the order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Consequently, comment on clause (vi) of the order is not applicable;

vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing material undisputed statutory dues including provident fund, employee state insurance, income-tax, cess and other statutory dues, during the year with the appropriate authorities except certain due of GST. As explained to us, the Company did not have any undisputed amounts outstanding as at last day of the financial year for a period of more than six months from the date they became payable except for GST dues (INR 240.85 lakhs)

b. According to the information and explanations given to us, there are no dues of provident fund, employee state insurance, income-tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute;

viii. The Company has obtained loans as referred in Note No.16 to financial statements. Further, the Company has converted outstanding loan from Quess to Compulsory Convertible Debentures with a tenure of ten years from the date of issue. The Company does not have any loans or borrowings from any financial institution or banks during the year. According to the information and explanations given to us, there have been no defaults in repayment loan;

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Consequently, comment on clause (ix) of the Order is not applicable;

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit;

VARMA & SAMPATH LLP

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year and accordingly the clause regarding the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, is not applicable;

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Consequently, comment on clause (xii) of the Order is not applicable;

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards;

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has converted outstanding loan from its holding company, into Compulsory Convertible Debentures during the year. This Issue has been in compliance with Section 42 of Companies Act, 2013 and the amount raised has been used for the purpose for which it was raised.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Consequently, comment on clause (xv) of the Order is not applicable;

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Consequently, comment on clause (xvi) of the Order is not applicable.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

Unnikrishnan Menon
Partner
Membership number: 205703
Place: Bengaluru
Date: 26th May 2020

UDIN: 20205703AAAABE7035

ANNEXURE -B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Trimax Smart Infraprojects Private Limited of even date)

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 **Trimax Smart Infraprojects Private Limited** ("the Company") as of **March 31, 2020** in conjunction with our audit of the standalone Ind AS 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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[1] 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 standalone 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;

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[1] Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

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CHARTERED ACCOUNTANTS

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 March 31, 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 **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

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Unnikrishnan Menon
Partner
Membership number: 205703

Place: Bengaluru
Date: 26th May 2020

UDIN: 20205703AAAABE7035

Trimax Smart Infraprojects Private Limited
BALANCE SHEET AS AT 31 MARCH 2020

(Amount in Rs)

Balance Sheet	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Financial assets			
Non Current Loans	3	-	4,96,72,414
Deferred tax assets	4	2,49,81,620	3,30,54,083
Income tax assets (net)	5	5,87,801	46,73,830
Other non-current assets	6	-	1,62,25,611
Total non-current assets		**2,55,69,421**	**10,36,25,938**
Current Assets			
Financial assets			
(i) Trade receivables	7	1,15,70,45,897	1,50,56,96,560
(ii) Cash and cash equivalents	8	18,28,935	1,83,643
(iii) Current Loan	9	7,350	7,350
(iv) (Unearned)/ Unbilled Revenue	10	-	4,73,95,894
Other current assets	11	15,38,80,939	18,04,76,840
Total current assets		**1,31,27,63,121**	**1,73,37,60,287**
Total Assets		**1,33,83,32,542**	**1,83,73,86,225**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	1,00,000	1,00,000
Other equity instrument	13	1,29,00,00,000	-
Other equity	14	(29,78,30,551)	(8,34,50,941)
Total equity attributable to equity holders of the Company		**99,22,69,449**	**(8,33,50,941)**
Non-controlling interests		-	-
Total equity		**99,22,69,449**	**(8,33,50,941)**
Liabilities			
Non-current liabilities			
Non-current Provisions	15	3,05,857	1,82,937
Total non-current liabilities		**3,05,857**	**1,82,937**
Current liabilities			
Financial liabilities			
Current Borrowings	16	-	1,04,76,27,034
Trade payables	17	20,97,62,574	58,44,16,151
Other current financial liabilities	18	1,01,25,572	9,24,46,621
Current Provisions	19	10,16,54,718	1,44,00,851
Other current liabilities	20	2,42,14,372	18,16,63,573
Total current liabilities		**34,57,57,236**	**1,92,05,54,229**
Total Liabilities		**34,60,63,093**	**1,92,07,37,166**
Total Equity and Liabilites		**1,33,83,32,542**	**1,83,73,86,225**
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No:004542S/S200070

for and on behalf of Board of Directors of
Trimax Smart Infraprojects Private Limited

S. Ramakrishnan

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 26th May 2020

Subramanian Ramakrishnan
Additional Director
DIN: 03522114

Place: Bengaluru
Date: 26th May 2020

Guruprasad Srinivasan
Director
DIN: 07596207

Place: Bengaluru
Date: 26th May 2020

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Trimax Smart Infra Project Private Limited

Trimax Smart Infraprojects Private Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2020

Part I: Statement of audited financial results for the year ended 31 March 2020

(Amount in Rs)

Statement of profit and loss	Note	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	21	(1,80,05,860)	33,75,04,449
Other income	22	27,90,985	4,05,35,609
Total Income		**(1,52,14,875)**	**37,80,40,058**
Expenses			
Cost of materials and services	23	1,46,84,016	32,28,31,325
Employee benefits expense	24	1,05,70,703	78,33,538
Finance costs	25	8,57,33,382	14,47,08,102
Other expenses	26	8,01,33,239	26,32,924
Total expenses		**19,11,21,340**	**47,80,05,889**
Profit/(loss) before tax		**(20,63,36,214)**	**(9,99,65,831)**
Tax expense			
Current tax		-	-
Adjustments of tax relating to earlier periods		-	1,63,36,175
Deferred tax		(80,64,905)	-
Profit/(loss) for the period		**(21,44,01,120)**	**(8,36,29,656)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		29,068	34,181
Income tax relating to items that will not be reclassified to profit or loss		(7,558)	(8,887)
Other comprehensive income for the period		**21,510**	**25,294**
Total comprehensive income for the period		**(21,43,79,609)**	**(8,36,04,362)**
Earnings per equity share (face value of Rs 10 each)			
Basic		(21,440.11)	(8,362.97)
Diluted		(1,933.68)	(8,362.97)

Significant accounting policies		1
Company Overview and Significant Accounting Policies	1 & 2	

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No:004542S/S200070

for and on behalf of Board of Directors of
Trimax Smart Infraprojects Private Limited

S. Ramakrishnan

Unnikrishnan Menon
Partner
Membership No: 205703

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Subramanian Ramakrishnan
Additional Director
DIN: 03522114

Guruprasad Srinivasan
Director
DIN: 07596207

Place: Bengaluru
Date: 26th May 2020

Place: Bengaluru
Date: 26th May 2020

Place: Bengaluru
Date: 26th May 2020

Trimax Smart Infra Project Private Limited

Trimax Smart Infraprojects Private Limited
Statement of Changes in Equity for the year ended 31 March 2020

a) Equity share Capital and Other Equity (Amount in Rs)

Particulars	Share Capital	OTHER EQUITY		Total Equity attributable to Equity holders of the Company
		Retained Earnings	Other Comprehensive Income	
Balance as of 01 April 2018	1,00,000	1,53,421	-	2,53,421
Add: Profit for the year	-	(8,36,29,656)	-	(8,36,29,656)
Add: Other comprehensive income (net of tax)	-	-	25,294	25,294
Balance as of 31 March 2019	**1,00,000**	**(8,34,76,235)**	**25,294**	**(8,33,50,941)**
Particulars	**Share Capital**	**OTHER EQUITY**		**Total Equity attributable to Equity holders of the Company**
		Retained Earnings	**Other Comprehensive Income**	
Balance as of 01 April 2019	1,00,000	(8,34,76,235)	25,294	(8,33,50,941)
Add: Profit for the year	-	(21,44,01,120)	-	(21,44,01,120)
Add: Other comprehensive income (net of tax)	-	-	21,510	21,510
Balance as of 31 March 2020	**1,00,000**	**(29,78,77,355)**	**46,804**	**(29,77,30,551)**

b) Instruments entirely equity in nature

Compulsorily Convertible debentures

Balance at the beginning of the reporting period	Changes in compulsorily convertible debentures during the period	Balance at the end of the reporting period
-	1,29,00,00,000	**1,29,00,00,000**
Total Equity (a+b)		**99,22,69,449**

As per our report of even date attached
for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No.: 004542S/S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 26th May 2020

for and on behalf of Board of Directors of
Trimax Smart Infraprojects Private Limited

S. Ramakrishnan

Subramanian Ramakrishnan
Additional Director
DIN: 03522114

Place: Bengaluru
Date: 26th May 2020

Guruprasad Srinivasan
Director
DIN: 07596207

Place: Bengaluru
Date: 26th May 2020

Trimax Smart Infra Project Private Limited

Trimax Smart Infraprojects Private Limited

Statement of Cash flow Statement for the year ended on 31 March 2020

(Amount in Rs)

Statement of Cash Flows	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
Profit for the period	(21,44,01,120)	(8,36,29,656)
Adjustments for:		
Finance costs	8,22,66,124	8,91,08,073
Finance income on present valuation of financial instruments	(24,31,225)	(45,15,662)
Interest income on refund	(3,59,760)	-
Interest expense on financial liabilities at amortized cost	27,34,944	54,63,752
Other Comprehensive Income	21,510	25,294
Operating cash flows before working capital changes	**(13,21,69,527)**	**64,51,801**
(Increase)/Decrease in inventories, Trade receivables	34,86,50,663	23,26,20,526
(Increase)/Decrease in Unbilled revenue and other current assets	7,39,91,796	(10,44,75,377)
Increase/(Decrease) in trade payables and other financial liabilities	(45,69,74,626)	35,35,80,963
Increase/(Decrease) in other liabilities and provisions	(7,00,72,414)	(5,43,03,646)
Cash generated from operations	**(23,65,74,107)**	**43,38,74,266**
Income taxes paid, net of refund	1,21,58,492	(46,64,943)
Net cash (used in) / provided by operating activities (A)	**(22,44,15,616)**	**42,92,09,323**
Cash flows from financing activities		
Proceeds from borrowings	(1,04,76,27,034)	(31,38,07,174)
Loans and advances given	-	1,16,650
Proceeds from issue of other equity instrument	1,29,00,00,000	-
Security deposits	6,58,98,025	(2,67,69,102)
Interest paid	(8,22,66,124)	(8,91,08,073)
Finance income on present valuation of financial instruments	24,31,225	45,15,662
Interest income on refund	3,59,760	-
Interest expense on financial liabilities at amortized cost	(27,34,944)	(54,63,752)
Net cash (used in) / provided by financing activities (B)	**22,60,60,908**	**(43,05,15,789)**
Net increase in cash and cash equivalents (A+B)	16,45,293	(13,06,466)
Cash and cash equivalents at the beginning of the period	1,83,643	14,90,109
Cash and cash equivalents acquired on amalgamation	-	-
Effects of exchange differences on translation of foreign currency cash and cash equivalents	-	-
Cash and cash equivalents at the end of the period (refer note 10)	**18,28,936**	**1,83,643**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No:004542S/S200070

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

Unnikrishnan Menon

Partner
Membership No: 205703

Place: Bengaluru
Date: 26th May 2020

for and on behalf of Board of Directors of
Trimax Smart Infraprojects Private Limited

S. Ramakrishnan

Subramanian Ramakrishnan

Additional Director
DIN: 03522114

Place: Bengaluru
Date: 26th May 2020

Guruprasad Srinivasan

Director
DIN: 07596207

Place: Bengaluru
Date: 26th May 2020

Trimax Smart Infra Projects Private

Trimax Smart Infraprojects Private Limited
Notes to the Financial Statements for the year ended 31 March 2020

1. Company overview

Trimax Smart Infraprojects Private Limited was incorporated on 14th July 2017 under the Companies Act, 2013. The Company is formed for the purpose of providing various solutions for smart city project from Smart City Ahmedabad Development Limited including but not limited to the said project. The company currently functions as an Implementation Agency for supply, installation, commissioning and operation and maintenance for a Pan City CIT Infrastructure and intelligent command and control centre for Ahmedabad Smart City and various other smart city projects.

2.Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

Basis of preparation

2.1 Statement of compliance

These Ind AS financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") and the provisions of the Companies Act, 2013 ("Act") and the relevant rules thereunder. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The Company Standalone Ind AS financial statements are approved for issue by the Company's Board of Directors on 26/05/2020.

These Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following :
i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);
ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO").

2.3 Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) **Contingent liability:** Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except, in the extremely rare circumstances where no reliable estimate can be made).

ii) **Income taxes**: Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Availability of future taxable profits against which deferred tax amount can be used.

iii) **Recognition of deferred tax assets**: Availability of future taxable profit against which tax losses carried forward can be used.

iv) **Measurement of defined benefit obligations**: Key actuarial assumptions used for actuarial valuation.

v) **Impairment of financial assets:** The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost.

vi) **Property, plant and equipment:** The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

vii) **Other estimates:** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

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Trimax Smart Infra Project Private Limited

2.4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Items included in the Ind AS financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.5 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.
Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the consolidated statement of profit and loss.
Subsequent expenditures relating to property, plant and equipment is capitalized 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. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. 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.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of the items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Straight-Line Method ('SLM'), and is recognised in the statement of profit and loss. The Management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act ,2013. Depreciation for assets purchased/ sold during the year is proportionately charged. The Company estimated the useful lives for items of property, plant and equipment as follows:

Category	Useful life
Buidling	20 years
Plant and machinery	3 years
Computer equipment	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	3 years
Leasehold improvements*	As per lease term

The assets residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year end. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

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'.

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2.6 Intangible assets

(i) Intangible Assets
Other intangible assets such as computer software, copyright and trademarks are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Amortisation
Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expenses in the standalone statement of profit and loss.

Category	Useful life
Brand	15 years
Software (leasehold)	Lease term or estimated useful life whichever is lower
Software (owned)	3 years
Copy rights and trademarks	3 years
Customer contracts	3 years
Customer relationship	5-10 years

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

2.7 Impairment of non financial assets
Intangible assets and property, plant and equipment 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

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

2.8 Other Income

Other income is comprised primarily of interest income and exchange gain/loss on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

2.9 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates in effect on the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in the consolidated statement profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

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2.10 Revenue Recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration it expects to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts are recognised as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation. Certain arrangements are on time and material basis and are recognised as the services are performed as per the terms of the arrangement with the customer.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of service delivery costs.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Refer Note 29 for disclosure related to revenue from contracts with customers.

2.11 Financial instruments

a) Recognition and Intial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

b)Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

c) Impairment of financial assets

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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Refer Note 30

d) Derecognition of financial assets

The Company derecognizes a financial asset when the
- contractual rights to the cash flows from the financial asset expires, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or
- Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

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

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Financial Liability

a)Initial recognition andmeasurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss (FVTPL) or amortised cost.
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.

b) 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 FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. 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 that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at FVTPL 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 recognised in OCI. These gains/ losses 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. The Company has not designated any financial liability as at FVTPL.

Amortised Cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("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.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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 or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.12 Employee benefit

(a) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Remeasurement of the net defined benefit liability/ asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(b) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability using the projected unit credit method as at the balance sheet date.

(d) Short term benefit plans

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. shortterm cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employees, and the amount of obligation can be estimated reliably.

(e) Termination benefit

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

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2.13 Taxes

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

Current 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 as on the balance sheet date.

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

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. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.14 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous Contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognizes any impairment loss on the assets associated with the contract.

2.15 Provision for warranty

Provision for warranty is on account of warranties given on products sold by the Company. The amount of provision is based on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence.
The timing and amount of cash flows that will arise from these matters will be determined at the time of receipt of claims.

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2.16 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.17 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.19 Earnings per share

The basic earnings per share is computed by dividing the net profit/ (loss) attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.20 Ind AS 116 – Leases:

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting largely unchanged from the existing standard – i.e. lessors continue to classify leases as finance or operating leases.

Based on the preliminary assessment, the Company does not expect any significant impacts on transition to Ind AS 116. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted. The quantitative impacts would be finalised based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

3 Non current loans

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured and considered good)		
Security deposits	-	4,96,72,414
	-	**4,96,72,414**

Refer note 38

4 Deferred tax asset

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred Tax asset are attributable to		
Provision for penalty	2,49,98,065	23,34,814
Loss as per IT computation	-	3,07,28,157
Deferred Tax - OCI	(16,445)	(8,887)
	2,49,81,620	**3,30,54,083**

5 Income tax assets (net)

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets	5,87,801	46,73,830
	5,87,801	**46,73,830**

6 Other non-current assets

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured and considered good)		
Prepaid expenses	-	1,62,25,611
	-	**1,62,25,611**

7 Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Considered good	1,15,70,45,897	1,50,56,96,560
	1,15,70,45,897	**1,50,56,96,560**

Refer note 30

8 Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
Balances with banks		
In current accounts	18,28,935	1,83,643
Cash and cash equivalents in balance sheet	**18,28,935**	**1,83,643**
Cash and cash equivalent in the statement of cash flow	**18,28,935**	**1,83,643**

Includes INR 17,43,102 as at 31st March 2020 (NIL for March 2019) held in Escrow Account (in the name of Trimax IT Infrastructure & Services Limited)., erstwhile JV partner. *Refer note 38.*

9 Loans

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
Security deposits	7,350	7,350
	7,350	**7,350**

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10 Unbilled revenue

Particulars	As at 31 March 2020	As at 31 March 2019
Unbilled revenue	-	4,73,95,894
	-	**4,73,95,894**

Refer note 29

11 Other current assets

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured and considered good)		
Prepaid expenses	12,00,00,000	12,54,69,888
Balances with government authorities	3,88,80,939	5,50,06,952
Less: Provision for advance	50,00,000	-
	15,38,80,939	**18,04,76,840**

12 Share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
10,000 (31 March 2019: 10,000) equity shares of par value of Rs 10 each	1,00,000	1,00,000
	1,00,000	**1,00,000**
Issued, subscribed and paid-up		
10,000 (31 March 2019: 10,000) equity shares of par value of Rs 10 each	1,00,000	1,00,000
	1,00,000	**1,00,000**

12.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	10,000	1,00,000	10,000	1,00,000
Shares issued on exercise of employee stock options	-	-	-	-
Shares issued during the year	-	-	-	-
Right issue	-	-	-	-
Bonus issue	-	-	-	-
At the end of the year	**10,000**	**1,00,000**	**10,000**	**1,00,000**

12.2 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amounts (if any) in proportion to the number of equity shares held.

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value Rs 10 each				
Trimax IT Infrastructure and Services Limited	-	0.00%	4,899	48.99%
Quess Corp Limited	9,999	99.99%	5,100	51.00%
	9,999		**9,999**	

As per the records of the Company, including its register of members/shareholders, the above shareholding represents both legal and beneficial ownership of the shares.

13 Other equity instrument

(a) Reconciliation of the number of compulsorily convertible debentures outstanding at the beginning and at the end of the reporting

Particulars	As at 31 March 2020		As at 31 March 2019	
	No.	Amount	No.	Amount
(CCDs)	1,29,000	1,29,00,00,000	-	-

(b) The rights, preferences and restrictions attaching to compulsorily convertible debentures issued to Quess Corp Limited, holding company including restirctions if any :

The Company has one class of compulsorily convertible debentures of Rs 10,000 per CCD. These CCDs are unsecured and carry a discretionary coupon of 10% per annum. The CCDs shall have a tenure of 10 years from the date of issue. The holder of these CCDs shall have the right to convert any or all of the CCDs, any time during the tenure of CCDs. CCDs outstanding at the end of the tenure shall be automatically be converted into Equity shares of the Company.

(c) Particulars of compulsorily convertible debentures held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company:

Particulars	As at 31 March 2020		As at 31 March 2019	
	No.	Amount	No.	Amount
Quess Corp Limited, holding company	1,29,000	1,29,00,00,000	-	-

(d) CCD holders holding more than 5% of compulsorily convertible debentures along with the total number of CCDs held at the beginning and at the end of the reporting period is as given below

Particulars	As at 31 March 2020		As at 31 March 2019	
	% of holding	No.	% of holding	No.
Quess Corp Limited, holding company	100	1,29,000	-	-

14 Other equity*

Particulars	As at 31 March 2020	As at 31 March 2019
Other comprehensive income	46,804	25,294
Retained earnings	(29,78,77,355)	(8,34,76,235)
	(29,78,30,551)	**(8,34,50,941)**

* For detailed movement of reserves refer Statement of changes in Equity

15 Non-current provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefit		
Provision for gratuity	2,01,555	93,259
Provision for compensated absences	1,04,302	89,678
	3,05,857	**1,82,937**

16 Current borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Loan from related parties, unsecured		
From Quess Corp Limited	-	1,04,76,27,034
	-	**1,04,76,27,034**

Information about the Company's exposure to interest rate and liquidity risk is included in note 30.

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17 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
		-
Other trade payables*	20,97,62,574	58,44,16,151
	20,97,62,574	**58,44,16,151**

As on 31 March 2020, there are no outstanding amounts due to micro and small enterprises. There are no interests due or outstanding on the same.

**Includes Related Party Balances (refer Note 33) and Refer note 36*

18 Other current financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Other Payables		
Accrued salaries and benefits	9,26,243	7,89,836
Accrued expenses	91,99,329	9,16,56,785
	1,01,25,572	**9,24,46,621**

**Includes Related Party Balances (refer Note 33)*

19 Current provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Provision for gratuity	290	268
Provision for compensated absences	31,876	32,642
	32,166	**32,910**
Others		
Provision for warranty	54,76,148	53,87,978
Provision for Penalty	9,61,46,404	89,79,963
	10,16,22,552	**1,43,67,941**
	10,16,54,718	**1,44,00,851**

19.1 The disclosures of provisions movement as required under the provisions of Ind AS 37 as follows

Particulars	warranty Amount	Provision for Penalty Amount
Balance as at 1 April 2018	**45,17,021**	**4,49,99,910**
Provision recognized / (reversed)	8,70,957	(3,60,19,947)
Provision utilized	-	-
Balance at the end of 31 March 2019	**53,87,978**	**89,79,963**
Provision recognized / (reversed)	88,170	8,71,66,441
Provision utilized	-	-
Balance at the end of 31 March 2020	**54,76,148**	**9,61,46,404**

Refer note 37

20 Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Balances payable to government authorities	2,42,14,372	18,16,63,573
	2,42,14,372	**18,16,63,573**

Trimax Smart Infraprojects Private Limited

Notes to the financial statements for the period ended 31 March 2020

21 Revenue from operations

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from execution of contracts for material and services	(1,80,05,860)	33,75,04,449
	(1,80,05,860)	**33,75,04,449**

Refer Note 29

22 Other income

Particulars	31 March 2020	31 March 2019
Income tax refund	3,59,760	-
Unwinding of discount on security deposits	24,31,225	45,15,662
Provisions no longer required written back	-	3,60,19,947
	27,90,985	**4,05,35,609**

23 Cost of materials

Particulars	31 March 2020	31 March 2019
Cost of materials and services	1,46,84,016	32,28,31,325
	1,46,84,016	**32,28,31,325**

24 Employee benefits expense

Particulars	31 March 2020	31 March 2019
Salaries and wages	99,87,505	73,86,723
Contribution to provident and other funds	4,07,391	2,85,384
Expenses related to post-employment defined benefit plan	1,37,386	93,401
Expenses related to compensated absences	13,858	42,163
Staff welfare expenses	24,563	25,867
	1,05,70,703	**78,33,538**

25 Finance costs

Particulars	31 March 2020	31 March 2019
Interest expense on financial liabilities at amortized cost	27,34,944	54,63,752
Other borrowing costs	8,22,66,124	8,91,08,073
Interest expense	7,32,314	5,01,36,277
	8,57,33,382	**14,47,08,102**

26 Other expenses

Particulars	31 March 2020	31 March 2019
Security Deposit Written off *(Refer note 38)*	7,10,64,194	-
Provision for advance	50,00,000	-
Legal and professional fees	36,84,952	12,05,530
Bank charges	944	749
Communication expenses	12,844	13,283
Miscellaneous expenses	51,600	96,451
Provision for warranty	88,170	8,70,956
Local Conveyance	1,64,604	1,13,230
Advertisement expenses	43,050	-
Rates and taxes	22,881	225
Rent	-	3,32,500
	8,01,33,239	**26,32,924**

Payment to auditors (net of tax; included in legal and professional fees)

	31 March 2020	31 March 2019
As auditor		
Statutory audit	4,00,000	2,75,000
	4,00,000	**3,00,000**

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27 Taxes

A. Amount recognised in profit and loss account

(Amount in Rs)

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
Statement of profit and loss account		
Current income tax:		
In respect of the current period	(80,64,905)	-
Excess provision related to prior years (refer note (i) below)	-	1,63,36,175
Income tax expense reported in the statement of profit and loss	**(80,64,905)**	**1,63,36,175**

B. Income tax recognised in other comprehensive income

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
Remeasurement of the net defined benefit liability/ asset		
Before tax	29,068	34,181
Tax (expense)/ benefit	(7,558)	(8,887)
Net of tax	**21,510**	**25,294**

C. Reconciliation of effective tax rate

(Amount in Rs)

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
Profit/(loss) before tax	(20,63,36,214)	(9,99,65,831)
Tax using company's Domestic tax rate	(5,19,34,825)	(3,45,98,174)
Effect of:		
Income exempt from tax	-	-
Non-deductible expenses	2,32,90,696	(1,52,83,178)
Tax provision for earlier years	-	1,63,36,175
Deferred Tax	(80,64,905)	-
Deferred Tax Not recognised	2,86,44,129	4,98,81,352
Income tax expense reported in the Statement of profit and loss	**(80,64,905)**	**1,63,36,175**

D. The following table provides the details of income tax assets and income tax liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets	5,87,801	46,73,830
Net income tax asset/(liability) at the end of the period	**5,87,801**	**46,73,830**

Deferred tax relates to the following:

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred Tax asset are attributable to		
Provision for penalty	2,49,98,065	23,34,814
Provision for gratuity	-	-
Losses available for offsetting against future taxable income	-	3,07,28,157
Others	(16,445)	(8,887)
	2,49,81,620	**3,30,54,083**

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Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

For the period ended 31 March 2020	Opening balance	Additions through business combination	Recognized in profit and loss	Recognised in OCI	Closing balance
Deferred tax asset on:					
Provision for penalty	23,34,814	-	2,26,63,251	-	2,49,98,065
Losses available for offsetting against future taxable income	3,07,28,157	-	(3,07,28,157)	-	-
Others	(8,887)	-	-	(7,558)	(16,445)
Gross deferred tax assets	**3,30,54,083**	-	**(80,64,905)**	**(7,558)**	**2,49,81,620**

E. Unrecognized deferred tax assets/ (liabilities)

As at 31st March 2020,unrecognised deferred tax assets amount to INR 6.49 Crores which can be carried forward up to a specified period. This relates primarily to buisness losses and other deductible temporary differences. The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.

Unrecognised deferred tax assets expire unutilised based on the year of origination as follows:

As at 31 March 2020	Unabsorbed business losses
2021	-
2022	-
2023	-
2024	-
Thereafter	**6,49,20,166**

28 Financial instruments - fair value and risk management

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(Amount in Rs)

Particulars	Carrying amount 31 March 2020	Fair value Level 1	Level 2	Level 3
Financial assets not measured at fair value				
Loans	7,350	-	-	-
Trade receivables	1,15,70,45,897	-	-	-
Cash and cash equivalents including other bank balances	18,28,935	-	-	-
Total financial assets	**1,15,88,82,182**	-	-	-
Financial liabilities not measured at fair value				
Trade payables	20,97,62,574	-	-	-
Other financial liabilities	1,01,25,572	-	-	-
Total financial liabilities	**21,98,88,146**	-	-	-

(Amount in Rs)

Particulars	Carrying amount 31 March 2019	Fair value Level 1	Level 2	Level 3
Financial assets not measured at fair value				
Loans	4,96,79,764	-	-	-
Trade receivables	1,50,56,96,560	-	-	-
Cash and cash equivalents including other bank balances	1,83,643	-	-	-
Unbilled revenue	4,73,95,894	-	-	-
Total financial assets	**1,60,29,55,861**	-	-	-
Financial liabilities not measured at fair value				
Loans and borrowings	1,04,76,27,034	-	-	-
Trade payables	58,44,16,151	-	-	-
Other financial liabilities	9,24,46,621	-	-	-
Total financial liabilities	**1,72,44,89,806**	-	-	-

Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference shares included in level 3.

Fair valuation method

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

A Financial Assets:

Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B Financial Liabilities:

1) **Trade payables and other liabilities:** Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

2) **Financial liability:** The fair value of financial liability has been determined by discounting consideration payable on commitment to sell. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of this put option.

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29 Revenue from Contracts with customers

(i) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers by geography for each of our business segments for the period ended 31 March 2020. The company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Period ended 31 March 2020 *(Amount in Rs.)*

Particulars	Smartcity	Total
Revenues by Geography		
India	(18,005,860)	(18,005,860)
Total	**(18,005,860)**	**(18,005,860)**

(ii) Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.
Invoicing in excess of earnings are classified as unearned revenue.
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables'	1,157,045,897	1,505,696,560
Contract assets (Unbilled revenue)	-	47,395,894

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

Management had revised its estimates of total budgeted cost for the project during last quarter of this financial year. Applying this, and continuing with the consistently adopted Percentage of Completion method, it has resulted in derecognition of revenue during the year. Accordingly 'Revenue from operations' shows a negative amount for the year ended March 2020.

The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue (contract assets) balances for the period ended 31 March 2020

(Amount in Rs)

Particulars	For the year ended 31 March 2020
Balance at the beginning	47,395,894
Add : Revenue recognized during the period	(18,005,860)
Less : Invoiced during the period	29,390,033
Balance at the end	**0**

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the company has not disclosed the value of remaining performance obligations for
(i) contracts with an original expected duration of one year or less and
(ii) contracts for which the company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2020, other than those meeting the exclusion criteria mentioned above, is Nil.

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30 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Board of Directors of Trimax Smart Infraprojects Private Limited has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's principal financial liabilities comprise Provisions, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current asset. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customer. However, the management also considers the factors that may influence the credit risk of its customer base.

Expected Credit Loss

The Company has only one customer and the same customer has been remitting payments against invoices raised from the beginning of the contract. There are no disputed invoices till the reporting date and the customer is a special purpose vehicle constituted by government of India. The Company has provided for provisions on account of penalties and other clauses as per the agreement.

ii) Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.The Company's objective is to maintain a balance between cash outflow and inflow. The company believes that the working capital is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

i) Financing arrangement

The Company maintains the following line of credit:

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020:

As at 31 March 2020

(Amount in Rs)

Particulars		Contractual cash flows			
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Trade payables	20,97,62,574	20,97,62,574	-	-	-
Other financial liabilities	1,01,25,572	1,01,25,572	-	-	-

As at 31 March 2019

(Amount in Rs)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	1,04,76,27,034	1,04,76,27,034	-	-	-
Trade payables	58,44,16,151	58,44,16,151	-	-	-
Other financial liabilities	9,24,46,621	9,24,46,621	-	-	-

iii) Market risk

i) Currency risk

The Company is not exposed to currency risk as there is no mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Company.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowing comprises of working capital loan from related parties which carries variable rate of interest, which exposes it to interest rate risk.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	-	1,04,76,27,034
Total borrowings	-	**1,04,76,27,034**

(b) Sensitivity

(Amount in Rs)

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2020				
Variable rate borrowings	-	-	-	-

(Amount in Rs)

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2019				
Variable rate borrowings	(1,04,76,270)	1,04,76,270	(27,23,830)	27,23,830

31 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing, current borrowing, current maturities of long-term borrowings and current maturities of finance lease obligations less cash and cash equivalents.

The capital structure is as follows :- (Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Gross debt	-	1,04,76,27,034
Less: Cash and cash equivalents	(18,28,935)	(1,83,643)
Adjusted net debt	**(18,28,935)**	**1,04,74,43,391**
Total equity	99,22,69,449	(8,33,50,941)
Total equity	**99,22,69,449**	**(8,33,50,941)**
Net debt to equity ratio	**(0.00)**	**(12.57)**

Trimax Smart Infra Project Private Limited

32 Earnings per share

(Amount in Rs)

Particulars	For the period ended 31 March 2020	For the year ended 31 March 2019
Nominal value of equity shares (Rs. Per share)	10	10
Net profit after tax for the purpose of earnings per share	(21,44,01,120)	(8,36,29,656)
Weighted average number of shares used in computing basic earnings per share	10,000	10,000
Basic earnings per share	(21,440.11)	(8,362.97)
Weighted average number of shares used in computing diluted earnings per share	1,10,877	10,000
Diluted earnings per share	(1,933.68)	(8,362.97)

33 Related party disclosures

(i) Name of related parties and description of relationship:

Holding company	Quess Corp Limited (from 15th October 2019)
- Entities having significant influence	Quess Corp Limited ** Trimax IT Infrastructure & Services Limited**
- Subsidiaries (including step subsidiaries) of Holding company	Coachieve Solutions Private Limited* MFX Infotech Private Limited Aravon Services Private Limited* Brainhunter Systems Ltd. Mindwire Systems Limited Quess (Philippines) Corp. Quess Corp (USA) Inc. Quesscorp Holdings Pte. Ltd. Quessglobal (Malaysia) Sdn. Bhd. Quess Corp Lanka (Private) Limited Comtel Solutions Pte. Ltd. MFXchange Holdings, Inc. MFXchange US, Inc. Quess Corp Vietnam LLC MFX Chile SpA Dependo Logistics Solutions Private Limited CentreQ Business Services Private Limited* Excelus Learning Solutions Private Limited Conneqt Business Solution Limited (formerly known as Tata Business Support Services Limited) Vedang Cellular Services Private Limited Master Staffing Solutions Private Limited Golden Star Facilities and Services Private Limited Comtelpro Pte. Limited. Comtelink Sdn. Bhd Monster.com (India) Private Limited Monster.com.SG PTE Limited Monster.com HK Limited Agensi Pekerjaan Monster Malaysia Sdn. Bhd (formerly known as Monster Malaysia Sdn Bhd) Qdigi Services Limited (formerly known as: HCL Computing Products Limited) Greenpiece Landscapes India Private Limited Simpliance Technologies Private Limited Quesscorp Management Consultancies Quesscorp Manpower Supply Servcies LLC Quess Corp Services Limited Allsec Technologies Limited Allsectech Inc., USA Allsectech Manila Inc., Philippiness Retreat Capital Management Inc., USA
- Associates of Holding company	Heptagon Technologies Private Limited Terrier Security Services (India) Private Limited Quess East Bengal FC Private Limited Quess Recruit, Inc. Agency Pekerjaan Quess Recruit Sdn. Bhd.
- Joint Ventures	Himmer Industrial Services (M) Sdn Bhd
Subsidiaries of Trimax IT Infrastructure & Services Limited (entity having significance influence)	Trimax Datacenter Services Limited** Trimax Managed Services Limited** Resilient Softech Private Limited ** Trimax It Infrastructure & Services Pte Limited (Tispl), Singapore**

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

Trimax Smart Infra Project Private Limited

Trimax Smart Infraprojects Private Limited
Notes to the financial statements for the year ended 31 March 2020

- Entity having common directors	Pratik Technologies Private Limited**
	Shrey Technologies Private Limited**
	Standard Fiscal Markets Private Limited**
	Smle Solutions Private Limited**
	Trimax It Solutions Limited **
	Triangulate Solutions Private Limited**
	Tab Consortium Private Limited**
	Seguro Home Projects Private Limited**
	Golden Star Facilities and Services Private Limited
	Qdigi Services Limited (formerly known as: HCL Computing Products Limited)
	Vedang Cellular Services Private Limited
	Terrier Security Services (India) Private Limited
	Greenpiece Landscapes India Private Limited
	Simpliance Technologies Private Limited
	Dependo Logistics Solutions Private Limited
	Heptagon Technologies Private Limited
	MFX Infotech Private Limited
	Excelus Learning Solutions Private Limited
	Monster.com (India) Private Limited
	Conneqt Business Solution Limited (formerly known as Tata Business Support Services Limited)
	Allsec Technologies Limited

Key executive management personnel

Name	Designation
Suryaprakash Sohanlal Madrecha	Director (Resigned w.e.f. 15th October 2019)
Guruprasad Srinivasan	Director
Neil Elijah	Director (Resigned w.e.f. 27th September 2019).
Subramanian Ramakrishnan	Additional Director (Appointed w.e.f. 30th September 2019)

* Amalgamated with Quess Corp Limited w.e.f. 1 April, 2019 and hence discontinues to be a related party from that date
** The shares held by Trimax IT is transferred to Quesscorp during the Year as result of Settlement cum Share Purchase agreement dated 15th October 2019. (Refer Note 38).

Hence these entities are related parties only till the date of transfer of shares.

(ii) Related party transactions during the period

(Amount in Rs)

Particulars		31 March 2020	31 March 2019
Revenue from operations			
	Trimax IT Infrastructure & Services Limited	2,93,90,034	33,75,04,449
Procurement of Material/Services			
	Quess Corp Limited	2,73,46,906	37,65,71,630
Security deposits written off			
	Trimax IT Infrastructure & Services Limited	7,25,00,000	-
Professional fees			
	Quess Corp Limited	-	1,70,030
	Trimax IT Infrastructure & Services Limited	(10,00,00,000)	
Finance costs			
	Quess Corp Limited	8,22,66,124	8,91,08,074
Company			
	Quess Corp Limited	1,24,58,004	6,31,27,079
Deposit with related parties			
	Trimax IT Infrastructure & Services Limited	-	3,00,00,000
Repayment of Loans to related parties			
	Quess Corp Limited	7,96,46,977	57,95,00,000
Conversion of Loan amount to CCD			
	Quess Corp Limited	1,29,00,00,000	-
Loans taken from related parties			
	Quess Corp Limited	23,07,01,000	5,68,00,000

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables		
Trimax IT Infrastructure & Services Limited	-	1,50,56,96,560
Trade payables		
Trimax IT Infrastructure & Services Limited	-	10,80,00,000
Quess Corp Limited	20,97,07,198	47,63,84,718
Borrowings		
Quess Corp Limited	-	1,04,76,27,034
Compulsorily convertible debentures (CCDs)		
Quess Corp Limited	1,29,00,00,000	-
Loans given		
Trimax IT Infrastructure & Services Limited	-	7,25,00,000

(iv) Compensation of key managerial personnel*

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Salaries and other employee benefits to whole-time directors and executive officers	-	-
Others if any, specify nature	-	-
	-	-

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences and employee share-based payment since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions
All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

Trimax Smart Infra Project Private Limited

34 Assets and liabilities relating to employee benefits

The following table sets out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at 30 September 2019.

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Net defined benefit liability, gratuity plan	2,01,845	93,527
Liability for compensated absences	1,36,178	1,22,320
Total employee benefit liability	**3,38,023**	**2,15,847**
Current	32,166	32,910
Non-current	3,05,857	1,82,937
	3,38,023	**2,15,847**

The Company does not have any assets relating to employee benefits.

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Reconciliation of net defined benefit liability/ asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its components:

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Change in defined benefit obligation		
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	93,527	34,307
Additions through business combination	-	-
Current service cost	1,30,498	90,779
Interest cost	6,888	2,622
Past service cost	-	-
Benefit settled	-	-
Actuarial (gains)/ losses recognised in other comprehensive income	-	-
- Changes in experience adjustments	(66,187)	(36,929)
- Changes in demographic assumptions	22,813	-
- Changes in financial assumptions	14,306	2,748
Obligation at the end of the year	**2,01,845**	**93,527**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	-	-
Additions through business combination	-	-
Interest income on plan assets	-	-
Remeasurement- actuarial gain/(loss)	-	-
Return on plan assets recognised in other comprehensive income	-	-
Contributions	-	-
Benefits settled	-	-
Plan assets as at the end of the year	**-**	**-**
Net defined benefit liability	**(2,01,845)**	**(93,527)**

Expense recognised in profit or loss

(Amount in Rs)

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
Current service cost	1,30,498	90,779
Interest cost	6,888	2,622
Past service cost	-	-
Past service cost	-	-
Interest income	-	-
Net gratuity cost	**1,37,386**	**93,401**

Remeasurement recognised in other comprehensive income

(Amount in Rs)

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
Remeasurement of the net defined benefit liability	(29,068)	(34,181)
Remeasurement of the net defined benefit asset	-	-
	(29,068)	**(34,181)**

Defined benefit obligation - Actuarial Assumptions

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
Discount rate	6.55%	7.35%
Future salary growth	9.00%	9.00%
Attrition rate	10.00%	12.50%
Mortality rate (% of IALM 06-08)	100%	100%
Rate of return on planned asset		
Average duration of defined benefit obligation (in years)		

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Amount in Rs)

	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	1,79,386	2,28,403	84,782	1,03,606
Future salary growth (1% movement)	2,27,499	1,79,664	1,03,345	84,831
Mortality rate (10% movement)	2,01,778	2,01,912	93,525	93,529
Attrition rate (50% movement)	1,59,725	2,63,942	70,111	1,26,615

35 Segment reporting

The Board of directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Company is engaged in supply, installation, commissioning, operations and maintenance of smart city projects and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards.

a) Revenue from major services

(Amount in Rs)

Particulars	**31 March 2020**	**31 March 2019**
Revenue from execution of contracts for material and services	(1,80,05,860)	33,75,04,449
	(1,80,05,860)	**33,75,04,449**

b) Geographical information

All the assets of the Company are located in India. The Company caters to the needs of only the Indian market. Accordingly, there are no reportable geographical information.

36 Dues to micro, small and medium enterprises
The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 30 September 2019 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

37 During the year, the company has assessed the potential delay in the Contract completion and accordingly the penalty provision of INR 9.6 Crs has been provided in the books.

38 Trimax IT Settlement and Exit from Joint venture
Background and operations
Originally, the Company (TSIPL) through a subcontracting arrangement provided hardware, software, maintenance and technical support to Trimax IT Infrastructure & Services Limited ("Trimax"). The joint venture partner was Trimax along with Quess Corp Limited. Trimax executed an agreement with Smart City Ahmedabad Development Limited ("SCADL") a government undertaking, in 2017 for supply, installation, commissioning and operation and maintenance for a Pan CIT infrastructure and intelligent command and control center for the Ahmedabad Smart City ("Project").

On February 21, 2019, the Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench had ordered the commencement of Corporate Insolvency Resolution Process for Trimax based on a petition filed by Corporation Bank which had declared Trimax as an NPA on March 31, 2018.

As per the earlier Tripartite agreement between the Company, Trimax and Axis Bank ("Escrow Agent"), amounts recoverable from SCADL were to be deposited into an escrow account and 99% of the money received was to be paid to the Company.

Current status
During the year, Quess Corp Limited and Trimax IT Infrastructure & Services Limited (Timax IT) has entered into a Settlement cum Share Purchase Agreement ("SSPA") dated 15 October 2019 with the approval of Committee of Creditor(CoC) for settlement of all rights and obligations between the parties. SSPA inter-alia provides that
(i) Trimax IT's Agreement with SCADL shall be unconditionally and irrevocably assigned in favor of Trimax Smart Infraprojects Private Limited (TSIPL) including the outstanding dues from SCADL. This position has been communicated by TrimaxIT's Insolvency Resolution Professional (RP) to SCADL vide letter dated 15th October 2019.
(ii) TSIPL would be owner of 100.00% of rights to the escrow account & possess complete title to all the funds therein, even though the bank account remains in the name of Trimax IT.
(iii) Acquisition of remaining 49.00% stake in TSIPL by Quess Corp Limited from Trimax IT
(iv) Settlement of all Monetary claims inter-se between TSIPL and TrimaxIT

Accordingly, net amount of INR 289.36 Lakh due to Trimax IT has been written off during the year.
However, the Assignment of the SCADL contract from Trimax IT to TSIPL, is to be completed as on date. The management are making efforts on the same and are confident to securing the Assignment of the contract.

Pending formally executed Assignment, the management has assessed and concluded that in light of the above SSPA terms and documentation it deems effective Assignment of contract to the company, in adherence to applicable INDAS and consistent with its accounting policies. The company, from its side, is honoring all the obligations / responsibilities under the contract.

In parallel, the company has also collected an amount of INR 3060.78 Lakh. post the execution of the SSPA and the outstanding balance as at the year end was INR 11,570.46 Lakh (Previous year INR 15,056.97 Lakh). While efforts were made to obtain confirmation of the same from SCADL, we have not received the same. Further to note 30 which describes the management's assessment on ECL, no further provision is considered necessary against trade receivables as, the management is confident of complete recovery of the outstanding balance as at March 2020.

Trimax Smart Infra Project Private Limited

39 During the year, the Board has accorded approval for the scheme of Amalgamation of Company with Quess Corp Limited (100% Holding Company) w.e.f 1st April 2020.
In light of the above, Deferred tax asset (INR 249.82 Lakh) as at the Balance Sheet date, has been re-assessed and carried forward as there exist reasonable certainity of utilising the same post merger.

40 Impact on COVID

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

41 Previous year figures are reclassified/regrouped wherever necessary.

As per our report of even date attached
The notes referred to above form an integral part of the financial statements
for **Vasan & Sampath LLP**
Chartered Accountants
Firm's Registration No: 004542S/S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 26th May 2020

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
Trimax Smart Infraprojects Private Limited

S. Ramakrishnan

Subramanian Ramakrishna	**Guruprasad Srinivasan**
Additional Director	Director
DIN: 03522114	DIN: 07596207
Place: Bengaluru	Place: Bengaluru
Date: 26th May 2020	Date: 26th May 2020

Trimax Smart Infra Project Private Limited

INDEPENDENT AUDITORS' REPORT

To the members of
M/s Simpliance Technologies Private Limited
Bangalore

Report on the Ind AS Financial Statements

1. Opinion

We have audited the accompanying Ind AS financial statements of Simpliance Technologies Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss for the year then ended, the statement of cash flows and the statement of changes in equity and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 of the state of affairs of the Company as at 31st March 2020, its profit/loss, its cash flows and the changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

PRAVEEN JAYADEEP & CO. FRN: 015597S Bengaluru Chartered Accountants

Simpliance Technologies Pvt. Ltd. Bangalore

3. Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our 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.

4. Management's Responsibility for the Ind AS Financial Statements

The management and Director of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

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

PRAVEEN JAYADEEP & CO.
FRN: 015597S
Bengaluru
Chartered Accountants

Simpliance Technologies Pvt. Ltd.
Bangalore

5. **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

6. **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section143 of the Act, we give in the "Annexure A", a statement on the matters Specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we further 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 purpose of our audit;

b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) the Balance Sheet, Statement of Profit and Loss, the cash flows 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 the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.

PRAVEEN JAYADEEP & CO. FRN 015597S Bengaluru Chartered Accountants

Simpliance Technologies Pvt. Ltd. Bangalore

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"; and

g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

   i. The Company does not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

   iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **Praveen Jayadeep & co**
Chartered Accountants
FRN:-015597S

PRAVEEN JAYADEEP & CO.
FRN: 015597S
Bengaluru
Chartered Accountants

Simpliance Technologies Pvt. Ltd.
Bangalore

(Praveen Kumar)
Partner
Membership No.229874
Place: Bangalore
Date: 18-May-2020
UDIN-20229874AAAABT7960

Annexure - A to the Auditors' Report:

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2020, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company there are no immovable properties are held in the name of the Company.

ii. The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

iii. The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. The Company has not accepted any deposits from the public.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, GST, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

PRAVEEN JAYADEEP & CO. FRN: 015597S Bengaluru Chartered Accountants

Simplilearn Technologies Pvt. Ltd. Bangalore

(b) According to the information and explanations given to us, there are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute.

viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not allotted any shares through preferential allotment or private placement of shares during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Praveen Jayadeep & co.**
Chartered Accountants
FRN:-015597S

PRAVEEN JAYADEEP & CO. FRN: 015597S Bengaluru Chartered Accountants

Simpliance Technologies Pvt. Ltd. Bangalore

(Praveen Kumar)
Partner
Membership No.229874

Place: Bangalore
Date: 18-May-2020
UDIN-20229874AAAABT7960

Annexure - B to the Auditors' Report:

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

We have audited the internal financial controls over financial reporting of Simpliance Technologies Private Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the Ind AS 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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.

PRAVEEN JAYADEEP & CO. FRN: 015597S Bengaluru Chartered Accountants

Simpliance Technologies Pvt. Ltd. Bangalore

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 31 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 Praveen Jayadeep & co.

Chartered Accountants

FRN:-015597S

PRAVEEN JAYADEEP & CO. FRN: 015597S Bengaluru Chartered Accountants

(Praveen Kumar)

Partner

Membership No.229874

Place: Bangalore

Date: 18-May-2020

UDIN-20229874AAAABT7960

Simpliance Technologies Pvt. Ltd. Bangalore

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

(Amount in INR)

Balance Sheet	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,19,987	6,50,681
Goodwill	4	-	-
Other intangible assets	4	87,39,384	94,58,079
Intangible assets under development	4	-	-
Financial assets			
(i) Investments	5	-	-
(ii) Non-current loans	6	-	-
(iii) Other non-current financial assets	7	2,00,00,000	1,50,00,000
Deferred tax assets (net)	8	-	-
Income tax assets (net)	8	-	-
Other non-current assets	9	-	-
Total non-current assets		3,00,59,371	2,51,08,760
Current assets			
Inventories	10	-	-
Financial assets			
(i) Investments	11	-	-
(ii) Trade receivables	12	1,73,36,772	81,31,535
(iii) Cash and cash equivalents	13	39,80,810	4,20,760
(iv) Bank balances other than cash and cash equivalents above	14	-	-
(iv) Current loans	15	-	-
(v) Other current financial assets	16	-	-
(vi) Unbilled revenue	17	-	-
Other current assets	18	72,90,369	33,10,009
Total current assets		2,86,07,951	1,18,62,305
Total assets		5,86,67,322	3,69,71,064
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	2,34,050	2,34,050
Other equity	20	5,20,02,975	3,35,67,636
Total equity		5,22,37,025	3,38,01,686
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Non-current borrowings	21	-	-
(ii) Other non-current financial liabilities	22	-	-
Non-current provisions	23	-	-
Total non-current liabilities		-	-
Current liabilities			
Financial liabilities			
(ii) Current borrowings	24	-	-
(iii) Trade payables	25	-	-
(iv) Other current financial liabilities	26	16,58,267	9,54,446
Deferred income tax liabilities (net)	8	4,35,757	5,15,271
Current provisions	27	12,15,617	6,02,923
Other current liabilities	28	31,20,656	10,96,738
Total current liabilities		64,30,297	31,69,378
Total Liabilities		64,30,297	31,69,378
Total Equity and Liabilities		5,86,67,322	3,69,71,064

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Praveen Jayadeep & Co**
Chartered Accountants
Firm's Registration No.: 015597s

PRAVEEN JAYADEEP & CO. FRN: 015597S Bengaluru Chartered Accountants

Praveen Kumar
Partner
Membership No.: 229874

for and on behalf of Board of Directors of
SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

Anil Prem DSouza
Director

Hamsa Sharma
Director

Simpliance Technologies Pvt. Ltd. Bangalore

Place: Bengaluru
Date: 18-May-2020

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

(Amount in INR)

Statement of Profit and Loss	**Note**	**For the year ended 31 March 2020**	**31 March 2019**
Income			
Revenue from operations	29	6,63,71,120	2,78,50,811
Other income	30	10,46,432	12,82,211
Total income		6,74,17,552	2,91,33,022
Expenses			
Cost of material and stores and spare parts consumed	31	-	-
Employee benefit expenses	32	2,83,27,348	1,49,20,721
Finance costs	33	39,993	16,108
Depreciation and amortisation expense	34	50,73,351	48,46,366
Other expenses	35	1,35,07,701	59,07,372
Total expenses		4,69,48,393	2,56,90,567
Profit before tax		2,04,69,159	34,42,455
Tax expense			
Current tax	8	21,13,334	-
Adjustments of tax relating to earlier periods	8	(16,489)	-
Deferred tax	8	(63,025)	(43,812)
Total tax expenses		20,33,820	(43,812)
Profit for the year		1,84,35,339	34,86,267
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans	44		
Income tax relating to items that will not be reclassified to profit or loss			
Other comprehensive income/ (expense) for the year, net of income tax		-	-
Total comprehensive income for the year		1,84,35,339	34,86,267
Earnings per equity share (face value of Rs 10 each)			
Basic (in Rs)	42	788	149
Diluted (in Rs)	42	788	149

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Praveen Jayadeep & Co**
Chartered Accountants
Firm's Registration No.: 015597s

PRAVEEN JAYADEEP & CO. FRN: 015597S Bengaluru Chartered Accountants

Praveen Kumar
Partner
Membership No.: 229874

for and on behalf of Board of Directors of
SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

Anil Prem DSouza
Director

Hansa Sharma
Director

Simpliance Technologies Pvt. Ltd. Bangalore

Place: Bengaluru
Date: 18-May-2020

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

Statement of Cash Flows

(Amount in INR)

	For the year ended	
	31 March 2020	**31 March 2019**
Cash flows from operating activities		
Profit before tax	2,04,69,159	34,42,455
Adjustments for:		
Depreciation and amortisation expenses	50,73,351	48,46,366
Operating cash flows before working capital changes	**2,55,42,510**	**82,88,821**
Working capital adjustments:		
Changes in:		
Inventory	-	-
Trade receivables and security deposits	(92,05,237)	(27,56,164)
Other current, non-current, unbilled revenue and financial assets	(39,80,360)	(29,82,922)
Trade payables and other financial liabilities	7,03,820	(13,14,896)
Other liabilities and provisions	26,36,613	(2,10,466)
Cash generated from operating activities	**1,56,97,346**	**10,24,373**
Income taxes paid, net	(21,13,334)	
Net cash provided by/ (used in) operating activities (A)	**1,35,84,012**	**10,24,373**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(50,23,963)	(50,21,904)
Acquisition of shares in subsidiaries	-	-
Acquisition of shares in associates	-	-
Investment in preference shares	-	-
Dividend received on mutual fund units	-	-
Bank deposits (having maturity of more than three months), net	(50,00,000)	(1,50,00,000)
Interest received on term deposits	-	-
Loans given to subsidiaries	-	-
Loans repaid by subsidiaries	-	-
Interest received on loans given to subsidiaries	-	-
Payments to erstwhile minority shareholders		
Net cash used in investing activities (B)	**(1,00,23,963)**	**(2,00,21,904)**
Cash flows from financing activities		
Loan from Directors	-	(8,00,000)
Proceeds from issue of Shares	-	2,00,00,000
Net cash provided by financing activities (C)	**-**	**1,92,00,000**
Net increase in cash and cash equivalents (A+B+C)	**35,60,049**	**2,02,469**
Cash and cash equivalents at the beginning of the year	4,20,760	2,18,291
Cash and cash equivalents at the end of the year (refer note 13)	**39,80,810**	**4,20,760**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Praveen Jayadeep & Co**
Chartered Accountants
Firm's Registration No.: 015597s

PRAVEEN JAYADEEP & CO. FRN: 015597S Bengaluru Chartered Accountants

Praveen Kumar
Partner
Membership No.: 229874

for and on behalf of Board of Directors of
SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

Anil Prem DSouza
Director

Hansa Sharma
Director

Simpliance Technologies Pvt. Ltd. Bangalore

Place: Bengaluru
Date: 18-May-2020

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Statement of Changes in Equity for the year ended 31 March 2020

(A) Equity share capital

(Amount in INR)

Particulars	Note	31 March 2020	31 March 2019
Opening balance	19	2,34,050.00	2,34,050.00
Changes in equity share capital	19	-	34,050.00
Closing balance		2,34,050.00	2,68,100.00

(B) Other equity

(Amount in INR)

Particulars	Note	Reserves and surplus							Other items of other comprehensive income	Total equity attributable to equity holders of the Company
		Securities premium	Retained earnings	Capital reserve	General reserve	Stock options outstanding account	Debenture redemption reserve	Other Reserves	Remeasurement of the net defined benefit liability/asset	
Balance as of 1 April 2018		2,49,10,000			(1,47,94,580)					1,01,15,420
Add: Premium received on issue of equity shares	20	1,99,65,950	-	-	-	-	-	-	-	1,99,65,950
Less: Share issue expenses	20	-								-
Add: Profit for the year					34,86,267					34,86,267
Less: Premium on allotment of ESOP	20									
Add: Other comprehensive income (net of tax)										
Add: Commitment to issue shares	20									
Add: Transfer to debenture redemption reserve	20									
Balance as of 31 March 2019		4,48,75,950	-	-	(1,13,08,314)	-	-	-	-	3,35,67,636
Balance as of 1 April 2019		4,48,75,950	-	-	(1,13,08,314)	-	-	-	-	3,35,67,636
Add: Premium received on issue of equity shares	20	-								-
Less: Share issue expenses	20									-
Add: Profit for the year					1,84,35,339					1,84,35,339
Add: Share based payments	20									-
Less: Issure of Shares against commiments										-
Add: Other comprehensive income (net of tax)										-
Add: Transfer to debenture redemption reserve	20									-
Balance as of 31 March 2020		4,48,75,950	-	-	71,27,025	-	-	-	-	5,20,02,975

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **Praveen Jayadeep & Co**
Chartered Accountants
Firm's Registration No.: 015597S

PRAVEEN JAYADEEP & CO. FRN: 015597S Bengaluru Chartered Accountants

Praveen Kumar
Partner
Membership No.: 229874

for and on behalf of Board of Directors of
SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

Anil Prem DSouza
Director

Hansa Sharma
Director

Simpliance Technologies Pvt. Ltd. Bangalore

Place: Bengaluru
Date: 18-May-2020

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2020

Company overview and Significant accounting policies

1 Company overview

Simpliance Technologies Pvt Ltd("the Company") is a private limited company incorporated and domiciled in India. The registered office of the Company is located atNo.6/A, AVS Compound, 4th Block, Opposite Sony World, AVS Layout, Koramangala, Bangalore - 560034 Karnataka, India. The Company is engaged inproviding technology based Governance, Risk and Compliance Solutions.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

2.1 Basis of accounting and preparation of Ind ASfinancial statements

Statement of compliance:

ThesefinancialstatementsarepreparedinaccordancewithIndianAccountingStandards(IndAS)underthehistoricalcostconventionontheaccrualbasis.TheIndASareprescribedunderSection133oftheActreadwithRule3oftheCompanies(IndianAccountingStandards)Rules2015andCompanies(Indian Accounting Standards) Amendment Rules, 2016.

2.2 Basis of measurement

The Ind AS financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following:

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);

ii. Share based payment transactions measured at fair value;

iii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO"); and

iv. Contingent consideration in business combination measured at fair value

2.3 Use of estimates and judgement

The presentation of Financial Statements in conformity with IndAS requires estimates and assumptions to be made that affect the reported amount of Assets and Liabilities as on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Differences between the

Simpliance Technologies Pvt. Ltd. Bangalore

actual results and estimates are recognized in the period in which the results are known / materialized.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and criticaljudgements in applying accounting policies that have the most significant effect on the amounts recognized in the Ind ASfinancial statements is included in the following notes:

i. **Contingent liabilities:** Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs (except, in the extremely rare circumstances where no reliable estimate can be made).

ii. **Income taxes:** Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.Availability of future taxable profits against which deferred tax amount can be used.

iii. **Property, plant and equipment:**Useful life of asset.

iv. **Other estimates:** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.4 Functional and presentation currency

Items included in the Ind AS financial statements of Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupees ("INR"), which is also the company's functional currency.

Simpliance Technologies Pvt. Ltd. Bangalore

Company overview and Significant accounting policies

2.5 Property, plant and equipment:

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Subsequent expenditures relating to property, plant and equipment is capitalized 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. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. 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 recognized 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.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of the items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Written Down Value Method('WDV'), and is recognized in the statement of profit and loss.Depreciation for assets purchased/ sold during the year is proportionately charged. The Companyhas considered the estimated useful life for items of property, plant and equipmentas per Part C of Schedule II of the Companies Act, 2013.

Asset category	Estimated useful life
Furniture and Fixtures	10 years
Computer equipment	3 years
Office equipment	5 years
Software & Applications	6 years

The assets residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial yearend.An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Simpliance Technologies Pvt. Ltd.
Bangalore

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

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'.

2.6 Intangible assets

(i) **Goodwill:** There are nosuch goodwill purchases during the year.

(ii) Other intangible assets

Internally generated: Research and development

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software includes employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit and loss as and when incurred

Simpliance Technologies Pvt. Ltd. Bangalore

(iv) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straightline method,and is included in depreciation and amortizationexpenses in statement of profit and loss.

The estimated useful lives of intangibles are as follows:

Asset category	Estimated useful life
Software (owned)	6 years

Amortisation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each financial year.

2.7 Impairment of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment 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 arelargely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

2.8 Inventories

The nature of Business of company is service oriented. Hence, Inventory is not applicable.

2.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and revenue can be reliably

Simpliance Technologies Pvt. Ltd. Bangalore

measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

When the outcome of the contract cannot be measured reliably, revenue is recognised only to the extent that expenses incurred are eligible to be recovered. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration.

When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.

2.10 Other income

Other income is comprised primarily of Consultancy fees charges to clients.

2.11 Employee benefits

(a) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement of the net defined benefit liability/ asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(b) Short-term benefit plans

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if the companyhas a present legal or constructive obligation to pay this amount as a result of past services provided by the employees, and the amount of obligation can be estimated reliably.

(c) Compensated absences

The employees of the company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating

Simpliance Technologies Pvt. Ltd. Bangalore

compensated absences and utilize it in future periods. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

(d) Termination benefits

Termination benefits are expensed at the earlier of when the companycan no longer withdraw the offer of those benefits and when the companyrecognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.12 Taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss.

Current 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 as on the balance sheet date.

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

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. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assetsunrecognized or recognized, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Simpliance Technologies Pvt. Ltd. Bangalore

2.13 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Companyhas a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

(i) Onerous contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Group from the contract is lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognizes any impairment loss on the assets associated with the contract.

2.14 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.15 Cash and cash equivalents

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

2.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of

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income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.17 Earnings per share

The basic earningsper share is computed by dividing the net profit/ (loss) attributable to owners of the company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.18 Other Income

Other income mostly comprises interest income on deposits. Interest income is recognised using the effective interest method.

2.19 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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3 Property, plant and equipment

(Amount in INR)

Particulars	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Plant and machinery	Computer equipment	Total
Gross carrying amount as at 1 April 2018		8,950.00	-	78,011.00	-	9,40,212.00	10,27,173.00
Additions on merger							-
Additions during the year		13,195.00		8,999.00		6,27,391.68	6,49,585.68
Disposals during the year							-
Balance as at 31 March 2019	-	22,145.00	-	87,010.00	-	15,67,603.68	16,76,758.68
Additions during the year		1,09,600.00		64,900.00		12,62,287.70	14,36,787.70
Disposals during the year							-
Balance as at 31 March 2020		1,31,745.00		1,51,910.00		28,29,891.38	31,13,546.38
Accumulated depreciation as at 1 April 2018		3,573.00	-	39,804.00	-	6,38,595.00	6,81,972.00
Additions on merger							-
Depreciation for the year		2,880.00		23,310.00		3,17,916.00	3,44,106.00
Accumulated depreciation on deletions							-
Balance as at 31 March 2019	-	6,453.00	-	63,114.00	-	9,56,511.00	10,26,078.00
Depreciation for the year		24,291.00		14,680.00		7,28,510.00	7,67,481.00
Accumulated depreciation on deletions							-
Balance as at 30 March 2020		30,744.00		77,794.00		16,85,021.00	17,93,559.00
Net Carrying amount							
As at 31 March 2020	-	1,01,001.00	-	74,116.00	-	11,44,870.38	13,19,987.38
As at 31 March 2019	-	15,692.00	-	23,896.00	-	6,11,092.68	6,50,680.68
As at 1 April 2018	-	5,377.00	-	38,207.00	-	3,01,617.00	3,45,201.00

There has been no impariment loss recognised during the year or previous year.

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Notes to the Standalone financial statements for the year ended 31 March 2020

4 Intangible assets and Intangible assets under development

(Amount in INR)

Particulars	Goodwill (refer note 4.1)	Other intangible assets: Brand value of business acquired (refer note 4.2)	Other intangible assets: Computer software	Other intangible assets: Computer software -others	Total other intangible assets	Intangible assets under development (refer note 4.3)
Gross carrying amount as at 1 April 2018			1,36,94,632.40	1,69,854.56	1,38,64,486.96	
Additions on merger			-			-
Additions during the year			43,72,318.00	-	43,72,318.00	
Disposals for the year						-
Balance as at 31 March 2019	-	-	1,80,66,950.40	1,69,854.56	1,82,36,804.96	-
Additions during the year			35,87,175.00	-	35,87,175.00	-
Disposals for the year						-
Balance as at 31 March 2020			2,16,54,125.40	1,69,854.56	2,18,23,979.96	
					-	
Accumulated amortisation as at 1 April 2018	-		41,91,617.00	84,849.00	42,76,466.00	-
Additions on merger	-					
Amortization for the year	-		44,66,058.00	36,202.00	45,02,260.00	-
Accumulated amortization on deletions	-					-
Balance as at 31 March 2019	-	-	86,57,675.00	1,21,051.00	87,78,726.00	-
Amortization for the year			42,86,690.00	19,180.00	43,05,870.00	-
Accumulated amortization on deletions			-		-	-
Balance as at 31 March 2020			1,29,44,365.00	1,40,231.00	1,30,84,596.00	
Net Carrying amount						
As at 31 March 2020	-	-	87,09,760.40	29,623.56	87,39,383.96	-
As at 31 March 2019	-	-	94,09,275.40	48,803.56	94,58,078.96	-
As at 1 April 2018	-	-	95,03,015.40	85,005.56	95,88,020.96	-

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5 **Non-current investments**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
I. Unquoted equity instruments - trade			
Investment in subsidiaries at cost			
Investments in associates at cost			
Total unquoted investments in equity instruments	-	-	-
II. Unquoted preference shares			
Investment in preference shares at fair value			
Total unquoted investments in preference shares	-	-	-
Total non-current investments	-	-	-
Aggregate value of unquoted investments	-	-	-
Aggregate amount of impairment in value of investments	-	-	-

6 **Non current loans**

(Amount in INR)

	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
	Unsecured, considered good			
10	Security deposits			
		-	-	-

7 **Other non-current financial assets**

(Amount in INR)

	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
10	Bank deposits (due to mature after 12 months from the reporting date)	2,00,00,000	1,50,00,000	
		2,00,00,000	1,50,00,000	-

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8 **Taxes**

A **Amount recognised in profit or loss**

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax:		
In respect of the current period		
Excess provision related to prior years (refer note (i) belo	21,13,334	-
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences		
Increase/ reduction of tax rate		
Income tax expense reported in the Statement of profit and loss	21,13,334	-

(i) As per the amendment in the Finance Act 2016, deduction under Section 80JJAA of Income Tax Act, 1961 was extended across all sectors subject to fulfilment of conditions as stipulated in the said Section. The amendment was first applicable for the financial year ended 31 March 2017. Since the provision was subject to a number of clarifications and interpretations, the Company had obtained an opinion from an external advisor establishing its eligibility and method to compute deduction under Section 80JJAA in the previous quarter. Resultantly, the Company had accounted for 80JJAA deduction and the related deduction for the year ended 31 March 2020 in the current year.

B **Income tax recognised in other comprehensive income**

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of the net defined benefit liability/ asset:		
Before tax		
Tax (expense)/ benefit	-	
Net of tax	-	-

C **Reconciliation of effective tax rate**

(Amount in INR)

Particulars	For the year ended 31 March 2020		31 March 2019
Profit before tax			
Tax using the Company's domestic tax rate			
Effect of:			
Tax exempt income			
Non-deductible expenses			
Effective tax rate		0.00%	-
Less: Excess provisions relating to earlier years		-	-
Income tax expense reported in the Statement of profit and loss		0.00%	-

D **The following table provides the details of income tax assets and income tax liabilities as of 31 March 2020, 31 March 2019 and 1 April 2018**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Income tax assets	-	-	-
Income tax liabilities	4,35,757	5,15,271	5,59,083
Net income tax liability at the end of the year	4,35,757	5,15,271	5,59,083.00

E **Deferred tax liability, net**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Deferred tax asset and liabilities are attributable to the following:			
Deferred tax asset:			
Impairment loss allowance on financial assets			
Provision for employee benefits			
Provision for disputed claims			
Provision for rent escalation			
Others			
Deferred tax liabilities:			
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	4,35,757	5,15,271	5,59,083
Net deferred tax Liability	4,35,757	5,15,271	5,59,083.00

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Notes to the Standalone financial statements for the year ended 31 March 2020

F Recognised deferred tax assets and liabilities
Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in INR)

For the year ended 31 March 2020	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax asset on:				
Short depreciation provided for in the books over the depreciation allowed under the Income tax laws	5,15,271	(79,514)	-	4,35,757
Gross deferred tax liability	5,15,271	(79,514)	-	4,35,757
Deferred tax assets on:				
Impairment loss allowance on financial assets				
Provision for employee benefits				-
Provision for disputed claims				-
Provision for rent escalation				-
Others				-
Gross deferred tax assets				-
	-	-	-	-
Net deferred tax Liability	5,15,271	(79,514)	-	4,35,757

(Amount in INR)

For the year ended 31 March 2019	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax liability on:				
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	5,59,083	(43,812)	-	5,15,271
Gross deferred tax liability	5,59,083.00	(43,812)	-	5,15,271
Deferred tax assets on:				
Impairment loss allowance on financial assets				
Provision for employee benefits				
Provision for disputed claims				
Provision for rent escalation				
Others				
Gross deferred tax assets	-	-	-	-
Net deferred tax Liability	5,59,083.00	(43,812)	-	5,15,271

8 Deferred income tax liabilities (net)

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Deferred tax asset and liabilities are attributable to the following:			
Deferred tax asset on liabilities:			
Impairment loss allowance on financial assets			
Provision on employee benefits- Gratuity			
Provision on employee benefits- Compensated absences			
Deffered Tax on Bonus			
Provision for disputed Claims			
Interest on Service Tax			
Provision for rent Escalation			
Present Valuation of Financial Instruments			
Deferred Tax others			
Deferred tax asset on assets:			
Deffered tax on fixed assets	4,35,757	5,15,271	5,16,666
Net deferred tax assets	4,35,757	5,15,271	5,16,666

8 Income tax assets (net)

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Advance income tax			
Minimum alternate tax credit entitlement	-		
	-	-	-

9 Other non-current assets

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(Unsecured and considered good)			
Taxes paid under protest			
Provident fund payments made under protest			
Prepaid expenses			
Capital advances			
	-	-	-

10 Inventories

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Valued at lower of cost and net realizable value			
Raw material and consumables			
Stores and spares			
	-	-	-

11 Current investments

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Investments in liquid mutual fund units			
	-	-	-

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12 Trade receivables

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Unsecured			
Considered good	1,73,36,772	81,31,535	53,75,372
Considered doubtful			
	1,73,36,772	81,31,535	53,75,372
Loss allowance [refer note 37]			
Unsecured considered good			
Doubtful			
	-	-	-
Net trade receivables	1,73,36,772	81,31,535	53,75,372

All trade receivables are current.

Of the above, trade receivables from related party are as below:

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Trade receivables from related parties			
Less: Loss allowance			
Net trade receivables	-	-	-

13 Cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Cash and cash equivalents			
Cash in hand			
Cheque in hand			
Balances with banks			
In current accounts	39,80,810	4,20,760	2,18,291
In deposit accounts (with original maturity of 3 months)			
Cash and cash equivalents in balance sheet	39,80,810	4,20,760	2,18,291
Bank overdraft used for cash management purpose			
Cash and cash equivalent in the statement of cash flow	39,80,810	4,20,760	2,18,291

14 Bank balances other than cash and cash equivalents

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
In deposit accounts (mature within 12 months from the reporting date)			
	-	-	-

15 Current loans

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Unsecured, considered good			
Security deposits			
Other loans and advances			
Loans to employees*			
Loans to group entities (refer note 42)			
	-	-	-

*There is no loss allowance required to be created for loans to employees as these are in the nature of advance given to employees for operating purpose.

16 Other current financial assets

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Interest accrued but not due			
Interest receivable from related parties (refer note 42)			
	-	-	-

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17 Unbilled revenue

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Unbilled revenue*			
	-	-	-

*includes unbilled revenue billable to related parties (refer note 42)

18 Other current assets

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Advances to suppliers			
Travel advances to employees			
Other advances			
Prepaid expenses	4,65,308		
Balances with government authorities(TDS)	68,25,061	33,10,009	3,27,087
Due from related parties*			
	72,90,369	33,10,009	3,27,087

* includes receivables from related parties (refer note 42)

19 Equity share capital

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Authorised			
100000 (31 March 2019: 100000) equity shares of par value of Rs 10 each*	10,00,000	10,00,000	10,00,000
	10,00,000	10,00,000	10,00,000
Issued, subscribed and paid-up			
Nil (31 March 2019: 23,405) equity shares of par value of Rs 10 each, fully paid up	2,34,050	2,34,050	2,00,000
	2,34,050	2,34,050	2,00,000

19.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in INR	Number of shares	Amount in INR
Equity shares				
At the commencement of the year	23,405	2,34,050	20,000	2,00,000
Add: Shares issued on exercise of employee stock options (refer note 46)			-	-
Add: Shares issued on during the year	-	-	3,405	34,050
Add: Shares issued on Institutional Private Placement			-	-
At the end of the year	23,405	2,34,050	23,405	2,34,050

19.2 Shares held by Holding Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in INR	Number of shares	Amount in INR
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	12,405	1,24,050	12,405	1,24,050
	12,405	1,24,050	12,405	1,24,050

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	12,405	53.00%	12,405	53.00%
Anil Prem D'Souza	2,810	12.01%	2,750	11.75%
Hansa Sharma	1,650	7.05%	1,650	7.05%
Madhu Damodaran	1,701	7.27%	1,650	7.05%
Preetha Chrisma D'Souza(Representing Cbensol as Partner)	2,278	9.73%	2,200	9.40%
Subramanyam Raju	1,100	4.70%	1,100	4.70%
Veena Nataraju	1,297	5.54%	1,650	7.05%
Others	164	0.70%	-	0.00%
	23,405	100.00%	23,405	100.00%

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19.4 The Company has not made any buy back of shares or issued any shares for consideration other than cash, during the period of five years immediately preceding the balance sheet date. However the Company has issued bonus shares in the previous financial year and equity shares have been issued under Employee Stock option plan for which only exercise price has been received in cash (refer note 46)

(Values in numbers)

Particulars	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Bonus shares issued					
Shares issued on exercise of employee stock options (refer note 46)					

20 Other equity*

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Securities premium account (refer note 20.1)	4,48,75,950	4,48,75,950	2,49,10,000
Stock options outstanding account (refer note 20.2)			
Capital reserve account			
Debenture redemption reserve (refer note 20.3)			
General reserve account	(1,13,08,314)	(1,47,94,580)	(63,96,494)
Other comprehensive income			
Retained earnings			
Balance in statement of profit and loss at the end of the period*	1,84,35,339	34,86,267	(83,98,087)
	5,20,02,975	3,35,67,636	1,01,15,420

* For detailed movement of reserves refer Statement of Changes in Equity.

20.1 Securities premium

Securities premium is used to record the premium received on issue of shares.

20.2 Share option outstanding account

The stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

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Notes to the Standalone financial statements for the year ended 31 March 2020

* For detailed movement of reserves refer Statement of changes in Equity.

21 **Non-current borrowings**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Secured			
Non convertible debentures (refer note 21.2)			
Unsecured			
Vehicle loan			
Total borrowings	-	-	-
Less: Current maturities of long-term borrowings (refer note 26)	-		
Total non-current borrowings	-	-	-

Terms of repayment schedule

21.1 Terms and condition of outstanding borrowings are as follows:

(Amount in INR)

Particulars	Coupon/ Interest rate	Year of maturity	Carrying amount as at 31 March 2020	Carrying amount as at 31 March 2019	Carrying amount as at 1 April 2018
Secured non-convertible debentures					
Unsecured vehicle loan					
Total borrowings			-	-	-

21.2 **Non-convertible debentures**

(Amount in INR)

Particulars	Amount
Proceeds from issue of non- convertible debentures	
Less: Transaction costs	
Net proceeds	-
Add: Accrued transaction costs as at March 2019	
Carrying amount of liability at 31 March 2019	-
Add: Accrued transaction costs as at July 2019	
Carrying amount of liability at 31 March 2020	-

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Notes to the Standalone financial statements for the year ended 31 March 2020

22 Other non-current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Payable to erstwhile minority shareholders*			
Non-controlling interests put option			
	-	-	-

23 Non-current provisions

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Provision for employee benefits			
Provision for gratuity			
Others			
Provision for disputed claims			
Provision for rent escalation			
	-	-	-

23.1 The disclosures of provisions movement as required under the provisions of Ind AS 37 as follows:

Provision for disputed claims

(Amount in INR)

Particulars	Amount
Balance as at 1 April 2018	-
Provision recognized/(reversed)	-
Provision utilized	-
Balance at the end of 31 March 2019	-
Provision recognized/(reversed)	
Provision utilized	
Balance at the end of 31 March 2020	-

24 Current borrowings

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Loans from related parties, Unsecured	-	-	8,00,000
Loans from bank repayable on demand			
Secured			
Cash credit and overdraft facilities (refer note 24.1)			
Bill discounting facility from bank (refer note 24.2)			
Working capital loan (refer note 24.3)			
Bank overdraft (refer note 13)	-		
	-	-	8,00,000

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25 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
			(Amount in INR)
Dues to micro, small and medium enterprises (refer note 45)			
Trade payables to related parties (refer note 42)			
Other trade payables			
	-	-	-

All trade payables are current.
The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 37

26 Other current financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
			(Amount in INR)
Current maturities of long-term borrowings (refer note 21)			
Balances payable to government authorities	16,58,267	9,54,446	4,12,473
Amount payable to related parties	-	-	18,56,869
Interest accrued and not due			
Financial guarantee liability			
Capital creditors			
Other Payables			
Payable to erstwhile minority shareholders			
Accrued salaries and benefits			
Provision for bonus and incentive*			
Uniform deposits			
	16,58,267	9,54,446	22,69,343

27 Current provisions

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
			(Amount in INR)
Provision for employee benefits			
Provision for gratuity (refer note 44)	12,15,617	6,02,923	2,49,001
Provision for compensated absences			
Other provisions			
Provision for warranty			
Provision for onerous contracts			
	12,15,617	6,02,923	2,49,001

28 Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
			(Amount in INR)
Income received in advance (Deferred Revenue)	2,48,433	1,11,294	
Advance received from customers			
Balances payable to government authorities			
Provision for expenses*	28,72,223	9,85,444	16,61,126
Provision for rent escalation			
Amount payable to related parties			
Book overdraft			
	31,20,656	10,96,738	16,61,126

*includes amount payable to related parties (refer note 42)

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29 Revenue from operations

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Software sales and maintenance	6,63,71,120	2,78,50,811
	6,63,71,120	**2,78,50,811**

30 Other income

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income under the effective interest method on:	-	-
Deposits with banks	10,10,042	4,45,218
Interest income on present valuation of financial instruments	-	-
Consultancy Fee Received	-	-
Profit on sale of property, plant and equipment and intangible assets	-	-
Dividend income on mutual fund units	-	-
Dividend income on other investments	-	-
Interest on loans given to related parties **(refer note 42)**	-	-
Rent from letting out properties	-	-
Liabilities no longer required written back	-	-
Change in fair value of contingent consideration	-	-
Interest on Income Tax Refund	36,390	10,270
Miscellaneous income (Rent paid reversed)	-	8,26,723
	10,46,432	**12,82,211**

31 Cost of material and stores and spare parts consumed

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventory at the beginning of the year		
Add: Purchases		
Less: Inventory at the end of the year		
Cost of materials and stores and spare parts consumed		

32 Employee benefits expense

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	2,56,22,987	1,39,18,556
Contribution to provident and other funds	11,96,621	5,53,264
Expenses related to post-employment defined benefit plan	5,72,632	2,89,429
Expenses related to compensated absences	-	-
Staff welfare expenses	9,35,108	1,59,472
Expense on employee stock option scheme	-	-
	2,83,27,348	**1,49,20,721**

33 Finance costs

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense	11,996	7,629
Bank Charges & Credit Card Charges	27,997	8,479
	39,993	**16,108**

34 Depreciation and amortisation expense

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 3)	7,67,481	3,44,106
Amortisation of intangible assets (refer note 3)	43,05,870	45,02,260
	50,73,351	**48,46,366**

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SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Notes to the Standalone financial statements for the year ended 31 March 2020

35 Other expenses

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Bad debts-Written off	3,46,700	35,400
Book Keeping Charges	-	13,800
Books & Typing Charges	9,656	-
Consultancy Fee Paid	42,31,208	21,96,745
Courier Charges	14,734	100
Online Sales charges	17,248	17,502
Professional Tax	2,500	2,500
Promotional & Marketing Exps	1,65,691	1,29,497
Round Off	(78)	764
Software Development Charges	15,22,810	16,24,123
Sponsorship Charges	6,23,180	90,000
Subscription charges	1,14,218	6,372
Telephone & Mobile Phone Expenses	3,92,424	2,64,493
Website Charges-Alexa	28,294	70,841
IT Maintenance	1,08,665	3,446
Repairs & maintenance	70,774	92,104
Rent-Office	16,22,000	-
Sales & Marketing Expenses	13,73,421	-
Printing and stationery	82,699	1,04,616
Travelling and conveyance	27,51,558	12,29,669
	1,34,77,701	58,82,372

35.1 Payment to auditors (net of service tax; included in legal and professional fees)

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit fees	30,000	25,000
Tax audit fees	-	-
	30,000	25,000.00

35.2 Details of CSR expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility ("CSR") activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds required to be spent and funds spent during the year are explained

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Gross amount required to be spent by the Company during the year		
b) Amount spent during the year		
i) Construction or acquisition of any asset		
ii) On purpose other than i) above		

Simpliance Technologies Pvt. Ltd. Bangalore

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2020

40 **Capital commitments**

(Amount in Reporting Currency)

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
	-	-

41 **Contingent liabilities and commitments (to the extent not provided for)**

(Amount in Reporting Currency)

Particulars	As at 31 March 2020	As at 31 March 2019
Corporate guarantee given as security for loan availed by related party [refer note (i)]	-	-
Bonus [refer note (__)]	-	-
Provident fund [refer note (__)]	-	-
Direct and Indirect tax matters [refer note (__)]	-	-
Any other, if any [refer note (_)]	-	-
	-	-

( ) pertains to note references for any decriptive note given below. Please give respective note reference based on any notes included below.

(i) The Company has given guarantee to banks for the loans given to related party to make good any default made by the related party in payment to banks.
Movement of Corporate Guarantee given to related party during the year is as follows:

(Amount in Reporting Currency)

Related party	As at 1 April 2019	Given during the financial year	Settled /expired during the financial year	As at 31 March 2020
	-	-	-	-
Total	-	-	-	-

Movement of Corporate Guarantee given to subsidiaries during the previous year

Related party	As at 1 April 2019	Given during the financial year	Settled /expired during the financial	As at 31 March 2020
	-	-	-	-
Total	-	-	-	-

42 **Earnings per share**

(Amount in Reporting Currency except number of shares and per share data)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Nominal value of equity shares	2,34,050	2,34,050
Net profit after tax for the purpose of earnings per share	1,84,35,339	34,86,267
Weighted average number of shares used in computing basic earnings per share	23,405	23,405
Basic earnings per share	788	149
Weighted average number of shares used in computing diluted earnings per share	23,405	23,405
Diluted earnings per share	788	149

Simpliance Technologies Pvt. Ltd. Bangalore

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2020

Computation of weighted average number of shares

(Amount in numbers)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Number of equity shares outstanding at beginning of the year	23,405	20,000
Number of equity shares Alloted during the year		
Add: Weighted average number of equity shares issued during the year	-	3,405
Weighted average number of shares outstanding at the end of year for computing basic earnings per share	23,405	23,405
Add: Impact of potentially dilutive equity shares		
Weighted average number of shares outstanding at the end of year for computing diluted earnings per share	23,405	23,405

43 Earnings in foreign currency

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2020	31 March 2019
Staffing and recruitment services	-	-
Operation and maintenance	-	-
Software and solution business	-	-
Any other, please specify below	-	-
	-	-
	-	-

44 Expenditure in foreign currency

(Amount in Reporting Currency)

Particulars	31 March 2020	31 March 2019
Sub-contractor charges	-	-
Recruitment and training expenses	-	-
Rent	-	-
Power and fuel	-	-
Repairs & maintenance	-	-
- buildings	-	-
- plant and machinery	-	-
- others	-	-
Legal and professional fees	-	-
Rates and taxes	-	-
Printing and stationery	-	-
Consumables	-	-
Travelling and conveyance	-	-
Communication expenses	-	-
Equipment hire charges	-	-
Insurance	-	-
Database access charges	-	-
Bank charges	-	-
Business promotion and advertisement expenses	-	-
Expenditure on corporate social responsibility	-	-
Miscellaneous expenses	-	-
	-	-
	-	-

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SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2020

C Major customer

List of the customers of the Company has revenue which is more than 10 % of the Company's total revenue

1) Coachieve Solutions Private Limited	1,65,73,557	1,50,99,152
2) Cushman & Wakefield Property Management Services	-	26,88,125
3) Allsec Technologies Limited (KA)	2,57,63,887	-

45 Related party disclosures

(i) Name of related parties and description of relationship:

CBENSOL	Entity which Key Managerial Personnel has Significant Influence
Quess Corp Limited	Other Related Party
Key executive management personnel	
Name	**Designation**
Hansa Sharma	Directors
Anil Prem D'souza	Directors

(ii) Related party transactions during the year

(Amount in Reporting Currency)

Particulars		31 March 2020	31 March 2019
Revenue from operations			
	From Allsec Technologies Limited	2,57,63,887	-
	From Coachieve Solutions Pvt Ltd	1,65,73,557	1,50,99,652
Other expenses			
	Salary to Anil Prem D'souza	23,77,116	23,78,400
	Salary to Hansa Sharma	15,01,860	9,71,904
	Consultancy Charges to CBENSOL	-	2,85,000
Finance costs			
- Interest expense		-	-
- Interest income		-	-
Payment made by related parties on behalf of the Company		-	-
Purchase consideration			
- Purchase consideration paid		-	-
- Additional consideration		-	-
Loans given to related parties		-	-
Repayment of loans taken from related parties		-	-
Guarantees provided to banks on behalf of associates		-	-
Purchase of intangible asset		-	-
Any other, please specify		-	-
		-	-

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(iii) **Balance receivable from and payable to related parties as at the balance sheet date:**

(Amount in Reporting Currency)

Particulars		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Trade receivables (gross of loss allowance)				
	From Allsec Technologies Ltd	1,07,19,777	-	
		-	-	-
Trade payables				
	Anil Prem D'Souza	-	-	4,27,682
	Chensol	-	-	6,02,464
	Quess Corp Ltd (Rent Payable)	-	-	8,26,723
Unbilled revenue		-	-	18,56,869
		-	-	-
Consideration payable				
		-	-	-
Contingent consideration payable				
		-	-	-
Current borrowings				
		-	-	-
Current loans				
	Hansa Sharma	-	-	8,00,000
Unbilled revenue				
		-	-	-
Guarantee outstanding				
		-	-	-
Any other, please specify				
		-	-	-

(v) **Compensation of key managerial personnel***

(Amount in Reporting Currency)

Particulars	For the period from 1 April 2019 to 31 March 2020	For the period from 1 April 2018 to 31 March 2019
		-
		-
	-	-

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date except for "Contingent consideration payable" where the payments will be settled as per the terms of the SPA. None of the balances are secured.

46 **Leases**

Operating Leases

The Company has taken on lease offices and residential premises under operating leases. The leases typically run for a period of one to ten years, with an option to renew the lease after that period. Lease payments are renegotiated at the time of renewal.

The Company has purchased vehicle from HDFC Bank Ltd on finance lease. The total future minimum lease payments at the balance sheet date, element of interest included in such payments, and present value of these minimum lease payments are as follows:

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

(Amount in Reporting Currency)

Particulars	As at 31 March 2020	As at 31 March 2019
Payable within 1 year	-	-
Payable between 1-5 years	-	-
Payable later than 5 years	-	-

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2020	31 March 2019
Total rental expense relating to operating lease		
- Non-cancellable	-	-
- Cancellable	-	-
	-	-

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SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2020

The Company has purchased assets under finance lease. The lease agreement is for a period of 36 months. The minimum lease payments and their present values for the finance lease, for the following periods are as follows:

(Amount in Reporting Currency)

Particulars	As at 31 March 2020	As at 31 March 2019
Payable within 1 year	-	-
Payable between 1-5 years	-	-
Payable later than 5 years	-	-
Total	-	-
Less: Finance charges	-	-
Present value of minimum lease payments	-	-

47 **Assets and liabilities relating to employee benefits**
This section is applicable to Indian entities

(Amount in Reporting Currency)

The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Scheme is funded through an insurance policy with SBI life insurance at Global technology solutions division and with LIC at all other divisions. The Company accrued gratuity under the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date and the maximum payment is restricted to (Amount).

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Net defined benefit liability, gratuity plan	-	-	-
Liability for compensated absences	-	-	-
Total employee benefit liability	-	-	-
Current			
Non-current	12,15,617	6,02,923	2,49,001
	-	-	-
	12,15,617	6,02,923.00	2,49,001.00

For details about employee benefit expenses, see note .

B **Reconciliation of net defined benefit liability/ asset**
The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its components:

(Amount in Reporting Currency)

Particulars	31 March 2020	31 March 2019
Change in defined benefit obligation		
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year		
Additions through business combination	6,02,923	2,49,001
Current service cost	-	-
Interest cost	6,12,694	3,53,922
Past service cost	-	-
Benefit settled	-	-
Actuarial (gains)/ losses recognised in other comprehensive income	-	-
- Changes in experience adjustments		-
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	-	-
Obligation at the end of the year	-	-
	12,15,617	6,02,923
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value		
Additions through business combination		
Interest income on plan assets	-	-
Remeasurement- actuarial gain/(loss)	-	-
Return on plan assets recognised in other comprehensive income	-	-
Contributions	-	-
Benefits settled	-	-
Plan assets as at the end of the year	-	-
Net defined benefit liability	-	-
	-	-
	12,15,617	6,02,923.00

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SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2020

C i) Expense recognised in profit or loss

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	6,12,694	3,53,922
Interest cost	-	-
Past service cost	-	-
Interest income	-	-
Net gratuity cost	6,12,694	3,53,922.00

ii) Remeasurement recognised in other comprehensive income

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of the net defined benefit liability	-	-
Remeasurement of the net defined benefit asset	-	-
	-	-

D Plan assets

(Amount in Reporting Currency)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Funds managed by insurer	-	-	-
	-	-	-

E Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest rate			
Discount rate			
Future salary growth			
Attrition rate			
Rate of return on planned asset			
Average duration of defined benefit obligation (in years)	-	-	-

F Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Core employees

(Amount in Reporting Currency)

	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-	-	-	-	-	-
Future salary growth (1% movement)	-	-	-	-	-	-
Attrition rate (1% movement)	-	-	-	-	-	-

Associate employees

(Amount in Reporting Currency)

	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-	-	-	-	-	-
Future salary growth (1% movement)	-	-	-	-	-	-
Attrition rate (1% movement)	-	-	-	-	-	-

48 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2019 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

Simpliance Technologies Pvt. Ltd. Bangalore

49 Taxes

A Amount recognised in profit or loss

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax:		
In respect of the current period	21,13,334	-
Excess provision related to prior years (refer note (i) below)	-	-
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	-	-
Increase/ reduction of tax rate	-	-
Income tax expense reported in the Statement of Profit and Loss	**21,13,334**	**-**

B Income tax recognised in other comprehensive income

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of the net defined benefit liability/ asset		
Before tax	-	-
Tax (expense)/ benefit	-	-
Net of tax	-	-

C Reconciliation of effective tax rate

(Amount in Reporting Currency)

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Rate	Amount	Rate	Amount
Profit before tax		2,04,69,159		-
Tax using the Company's domestic tax rate	25.168%	21,13,334	0.00%	-
Effect of:				
Tax exempt income	0.00%	-	0.00%	-
Non-deductible expenses	0.00%	-	-	-
Unrecognised tax losses	0.00%	-	-	-
Deferred tax credit for earlier periods	0.00%	-	-	-
Difference in enacted tax rate	0.00%	-	-	-
Effective tax rate	**0.00%**	**21,13,334.00**	**0.00%**	**-**
Less: Excess provision related to prior years	-	-	0.00%	-
Income tax expense reported in the Statement of Profit and Loss	**0.00%**	**21,13,334.00**	**0.00%**	**-**

D The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2019, 31 March 2018 and 1 April 2017

Non-current tax assets (net)

(Amount in Reporting Currency)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Income tax assets	-	-	-
Income tax liabilities	-	-	-
Net income tax assets at the end of the year	-	-	-

Current tax liabilities (net)*

(Amount in Reporting Currency)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Income tax assets	21,13,334	-	-
Income tax liabilities	21,13,334	-	-
Net income tax liabilities at the end of the year	-	-	-

*For current tax liabilities above, there is no legally enforceable right to set off against the non-current tax assets and accordingly disclosed separately.

Simpliance Technologies Pvt. Ltd. Bangalore

E Deferred tax assets, net

(Amount in Reporting Currency)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Deferred tax asset and liabilities are attributable to the following:			
Deferred tax assets:			
Impairment loss allowance on financial assets	-	-	-
Provision on employee benefits- Gratuity	-	-	-
Provision on employee benefits- Compensated absences	-	-	-
Deffered Tax on Bonus	-	-	-
Provision for disputed Claims	-	-	-
Interest on Service Tax	-	-	-
Provision for rent Escalation	-	-	-
Present Valuation of Financial Instruments	-	-	-
Deferred Tax others	-	-	-
	-	-	-
Deffered tax on fixed assets	-	-	-
Minimum alternate tax credit entitlement	-	-	-
Net deferred tax assets	-	-	-

F Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in Reporting Currency)

For the year ended 31 March 2020	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:					
Impairment loss allowance on financial assets	-	-	-	-	-
Provision for employee benefits	-	-	-	-	-
Provision for disputed claims	-	-	-	-	-
Provision for rent escalation	-	-	-	-	-
Others	-	-	-	-	-
Fixed assets	5,15,271	-	(79,514)	-	4,35,757
MAT credit entitlement					
Gross deferred tax assets					
Net deferred tax Liabilities	5,15,271	-	(79,514)	-	4,35,757

(Amount in Reporting Currency)

For the year ended 31 March 2019	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:					
Impairment loss allowance on financial assets	-	-	-	-	-
Provision for employee benefits	-	-	-	-	-
Provision for disputed claims	-	-	-	-	-
Provision for rent escalation	-	-	-	-	-
Others	-	-	-	-	-
Fixed assets	5,16,666	-	(43,812)	-	5,15,271
MAT credit entitlement					
Net deferred tax Liabilities	5,16,666	-	(43,812)	-	5,15,271

G Unrecognised deferred tax assets/ (liabilities)

The Company does not have unrecognised deferred tax liabilities.

Unrecognised deferred tax assets related primarily to business losses. These unexpired business losses will expire based on the year of origination as follows:

(Amount in Reporting Currency)

As at 31 March 2020	Unabsorbed business losses
2020	-
2021	-
2022	-
2023	-
2024	-
Thereafter	-
	-

Simpliance Technologies Pvt. Ltd. Bangalore

SIMPLIANCE TECHNOLOGIES PRIVATE LIMITED

Payment to auditors (net of service tax; included in legal and professional fees)

Amount In INR

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit fees	30,000	25,000
Tax audit fees	-	-
Others	50,150	-
Reimbursement of expenses	-	-
	80,150	**25,000**

PRAVEEN JAYADEEP & CO. FRN: 015597S Bengaluru * Chartered Accountants *

Simpliance Technologies Pvt. Ltd. Bangalore

M/s SIMPLIANCE TECNOLOGIES PRIVATE LIMITED
Groupings to Financial Statements for the Year Ended 31 March 2020

1 Loan from related party-Directors

Particulars	As at 31 March 2020 (In INR)	As at 31st March, 2019 (In INR)
Hansa Sharma	-	-
Total	-	-

2 Current Liabilities- Provisions

Particulars	As at 31 March 2020 (In INR)	As at 31st March, 2019 (In INR)
For Expenses		
Procain Consulting	81,000	1,08,000
Coachieve Solution Pvt Ltd	-	8,13,954
RRS People Works	44,388.50	-
Audit Fees Payable	30,000	25,000
Allsec Technologies Limited	10,41,035	-
Ogilvy & Mather Private Limited	2,16,000	-
Altisource Business Solutions Ind P Ltd (Techweb)	-	13,678.26
Altisource Business Solutions Ind P Ltd (Vishwroop)	-	13,678.26
Salary Payable	0	11,133
Rent Payable	14,59,800	-
Total	28,72,223	9,85,444

3 Balances payable to government authorities

Particulars	As at 31 March 2020 (In INR)	As at 31st March, 2019 (In INR)
GST	8,87,580	6,19,636
TDS Deducted	5,15,329	1,65,506
ESI Deducted	6,217	14,355
PF Deducted	2,36,740	1,47,350
Profession Tax Deducted	12,400	7,600
Total	16,58,267	9,54,446

4 Amount payable to related parties

Particulars	As at 31 March 2020 (In INR)	As at 31st March, 2019 (In INR)
Anil Prem D'Souza	-	-
Cbensol	-	-
	-	-
Total	-	-

Simpliance Technologies Pvt. Ltd. Bangalore

5 Trade Receivables

Particulars	As at 31 March 2020 (In INR)	As at 31st March, 2019 (In INR)
Allsec Technologies Limited	1,85,706	-
Allsec Technologies Limited (KA)	1,04,93,571	-
Alpla India Private Limited	75,060	33,900
Altisource Business Solutions India P Ltd (Techweb)	7,922	-
Altisource Business Solutions India Pvt Ltd (Vishwaroop)	6,842	-
Altisource Business Solutions Pvt Ltd	15,540	43,800
Altisource Business Solutions Pvt Ltd (Unit-2)	20,280	-
Altisource Business Solutions Pvt Ltd (Unit-3)	24,320	-
Amazon Data Services India Private Limited	23,976	2,360
Amazon Development Centre India Pvt Ltd	4,60,148	96,524
Amazon Development Centre (India) Pvt Ltd - KAR - EHS	17,700	-
Amazon Development Centre (India) Pvt Ltd - MAH - EHS	5,900	-
Amazon Development Centre (India) Pvt Ltd - TEL -EHS	20,900	-
Amazon Development Centre (India) Pvt Ltd - TN - EHS	10,900	-
Amazon Internet Services Private Limited	59,560	5,192
Amazon Internet Services Pvt Ltd - EHS	2,950	-
Amazon IT Services India Private Limited	36,344	-
Amazon Pay India Private Limited	13,000	2,360
Amazon Retail India Private Limited	19,492	-
Amazon Seller Services Private Limited -Haryana-EHS	5,900	-
Amazon Seller Services Private Limited (IN OPS)	1,77,582	15,753
Amazon Seller Services Private Limited - Karnataka	98,024	9,440
Amazon Seller Services Pvt Ltd - Delhi - EHS	5,900	-
Amazon Transportation Services Private Limited	44,128	3,304
Amazon Transportation Services Private Limited (IN)	9,99,294	72,688
Amazon Wholesale India Private Limited	8,512	1,888
Amber Road Software Pvt Ltd	15,120	7,560
B Braun Medical India Pvt Ltd	42,806	42,806
BDO India LLP	7,01,660	-
BTI Payments Private Limited	-	16,520
CBRE South Asia Private Limited	21,546	20,178
CIEL HR Services Private Limited	11,800	-
Classic Wine Mall Pvt Ltd	-	17,700
ClassKlap Private Limited	1,85,680	-
Coachieve Solutions Private Limited	-	48,36,628
Cohesity Storage Solutions Pvt Ltd	64,800	-
Contentstack India Private Limited	11,800	-
Cushman & Wakefield Property Management Services	2,60,279.50	2,29,284
Dr Lal Path Labs	93,301.20	1,55,034
FLSmidth Private Limited	69,000.00	-
Fullerton India Credit Company Limited	1,35,000.00	-
Fullerton India Home Finance Company Limited	32,400.00	-
GMR Goa International Airport Limited	11,328.00	11,232
Hatsun Agro Product Limited	1,50,000.00	-
Indecomm Business Services (India) Pvt. Ltd.	16,200.00	-
Indecomm Business Services (India) Pvt Ltd (S)	10,800.00	-
Infosys Limited	-	8,85,000
KPMG Global Delivery Center Private Limited (BLR)	10,800.00	-
KPMG Global Delivery Center Private Limited (Koc)	9,000.00	-
Larsen & Toubro Infotech Limited	-	33,600
Manak Waste Management Pvt Ltd	23,600.00	-
Manappuram Finance Limited	1,78,200.00	-
Metier Advisory Services Private Limited	59,000.00	
METRO Cash & Carry India Private Limited	21,600.00	

Simpliance Technologies Pvt. Ltd. Bangalore

MJ Management Consultants	-	58,646
Modern Food Enterprises Private Limited	48,600.00	-
My Own Eco Energy Pvt Ltd	-	3,24,500
NestAway Technologies Private Limited	-	23,600
Open Source Software Solutions, LLP	5,272.00	-
Optimum Compliance Consultant Private Limited	53,100.00	-
Optimum Infosystems Private Limited	-	35,400
PCI Pest Control Private Limited	17,700.00	-
Polyplay Solutions Private Limited	42,000.00	-
Polyplay Solutions Private Limited (Techweb)	74,340.00	-
Polyplay Solutions Private Limited (Vishwaroop)	74,340.00	-
Puma Sports India Private Limited	6,15,347.60	-
QSC India Private Limited	17,700.00	-
Quess Corp Limited	96,642.00	96,642
Rakuten India Enterprise Private Limited	-	1,800
Reckitt Benckiser India Limited	3,240.00	-
RRS People Works Private Limited	4,67,162.00	29,108
Sapthagiri Technologies	20,797.50	-
Schneider Electric Private Limited	-	2,59,128
SequelOne Solutions Pvt Ltd	70,672.80	93,079
Softtek India Pvt Ltd	24,600.00	11,800
Supermarket Grocery Supplies Private Limited	2,18,450.00	-
Syngenta Biosciences Private Limited	1,80,900.00	66,000
Syngenta India Ltd	1,15,200.00	1,15,200
Syngenta Services Private Limited	35,400.00	27,600
Tangoe India Softek Services Pvt. Ltd	53,970.00	62,670
Terrier Security Services India Private Limited	1,09,086.60	19,636
Vistaar Financial Services Pvt Ltd	-	1,11,510
Vodafone Idea Limited	-	2,05,266
Westland Publications Private Limited	17,080.00	-
Winfo Consulting Private Limited	-	18,880
Zwick Roell Testing Machines Private Limited	-	28,320
Total	1,73,36,772	81,31,535

PRAVEEN JAYADEEP & CO. FRN: 015597S Bengaluru Chartered Accountants

Simpliance Technologies Pvt. Ltd. Bangalore

INDEPENDENT AUDITOR'S REPORT

To,
The Members
Vedang Cellular Services Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Vedang Cellular Services Private Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2020**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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.

Jupiter-2, #190, 5th Cross, 3rd Main, MICO Layout
BTM 2nd Stage, Bangalore - 560076, INDIA.
Tel : +91 80 6816 4000
Fax : +91 80 6816 4001
Email : Info@vscaglobal.com
web : www.vscaglobal.com

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.

Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2) As required by Section 143 (3) of the Act, we report that;

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   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 standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rule 7 of the Companies (Accounts) Rules, 2014;

   e. On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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"; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

   i. The Company does not have any pending litigations which would impact its financial position

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership number: 205703

Place: Bengaluru
Date: 11th May 2020

ANNEXURE - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vedang Cellular Services Private Limited of even date)

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified annually. In our opinion, the periodicity is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification;

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties as at March 31, 2020;

ii. The Company's operations does not involve inventory. Consequently, comment on clause (ii) of the order is not applicable;

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Consequently, comment on clause (iii) of the order is not applicable;

iv. The Company has not made any loans, investments, guarantees, and security covered by provisions of Section 185 and 186 of the Act. Consequently, comment on clause (iv) of the order is not applicable;

v. The Company has not accepted any deposits from the public. Consequently, comment on clause (v) of the order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Consequently, comment on clause (vi) of the order is not applicable;

vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing material undisputed statutory dues including provident fund, employee state insurance, income-tax, goods and service tax, cess and other statutory dues, during the year with the appropriate authorities. As explained to us, the Company did not have any undisputed amounts outstanding as at last day of the financial year for a period of more than six months from the date they became payable;

b. According to the information and explanations given to us, there are no dues of provident fund, employee state insurance, income-tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute;

viii. According to the information and explanations given to us, the company has not defaulted in repayment of loan from financial institutions or banks;

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Consequently, comment on clause (ix) of the Order is not applicable;

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals as mandated by the provisions of section 197 read with Schedule V to the Act;

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Consequently, comment on clause (xii) of the Order is not applicable;

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards;

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Consequently, comment on clause (xiv) of the Order is not applicable;

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Consequently, comment on clause (xv) of the Order is not applicable; and

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Consequently, comment on clause (xvi) of the Order is not applicable.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership number: 205703

Place: Bengaluru
Date: 11th May 2020

ANNEXURE - B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vedang Cellular Services Private Limited of even date)

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 **Vedang Cellular Services Private Limited** ("the Company") as of **March 31, 2020** in conjunction with our audit of the standalone 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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[1] 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 standalone 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;

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[1] Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI')

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 March 31, 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 **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership number: 205703

Place: Bengaluru
Date: 11th May 2020

Vedang Cellular Services Private Limited
(A Subsidiary of Quess Corp Limited)
BALANCE SHEET AS AT 31ST MARCH 2020

Balance Sheet	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	35,753,745	42,842,758
Other intangible assets	4	22,652,563	33,996,341
Deferred tax assets (net)	5	7,822,000	2,222,170
Income tax assets (net)	6	82,417,936	81,958,314
Other non-current assets	7	13,813	161,025
Total non-current assets		**148,660,057**	**161,180,607**
Financial assets			
(i) Trade receivables	8	189,715,849	221,466,003
(ii) Cash and cash equivalents	9	112,010	208,897
(iii) Bank balances other than cash and cash equivalent	10	500,000	500,000
(iv) Current loans	11	2,692,685	3,396,110
(v) Other current financial assets	12	237,321	239,984
(vi) Unbilled revenue	13	76,945,366	83,312,789
Other current assets	14	2,620,467	652,807
Total current assets		**272,823,698**	**309,776,590**
Total Assets		**421,483,755**	**470,957,197**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1,820,830	1,820,830
Other equity	16	206,699,083	216,774,582
Total equity		**208,519,913**	**218,595,412**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities (net)	17	-	-
Non-current provisions	18	3,783,430	2,956,150
Other non-current financial liabilities	19	985,408	-
Total non-current liabilities		**4,768,838**	**2,956,150**
Current liabilities			
Financial liabilities			
(i) Current borrowings	20	51,444,917	81,408,410
(ii) Trade payables	21	39,856,409	50,500,531
(iii) Other current financial liabilities	22	94,326,395	97,268,102
Income tax liabilities (net)	23	-	-
Current provisions	24	4,170,464	2,663,069
Other current liabilities	25	18,396,819	17,565,524
Total current liabilities		**208,195,004**	**249,405,636**
Total Liabilities		**212,963,842**	**252,361,786**
Total Equity and Liabilities		**421,483,755**	**470,957,198**
Company Overview and Significant Accounting Policies	1 & 2		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No.: 004542S/S200070

Partner - Unnikrishnan Menon
Membership No - 205703

Place: Bangalore
Date: 11-05-2020

for and on behalf of the Board of Directors of
Vedang Cellular Services Private Limited

Ashish Kapoor
Director
DIN.02752632

Place: Bangalore
Date: 11-05-2020

Srinivasan Guruprasad
Director
DIN No. 07596207

Place: Bangalore
Date: 11-05-2020

Vedang Cellular Services Private Limited
(A Subsidiary of Quess Corp Limited)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

Statement of Profit and Loss	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	26	980,517,390	1,071,561,866
Other income	27	8,023,614	2,042,302
Total income		**988,541,004**	**1,073,604,168**
Expenses			
Direct Service Cost	28	365,768,610	429,958,124
Employee benefit expenses	29	514,262,137	488,251,105
Finance costs	30	21,545,477	21,927,000
Depreciation and amortisation expenses	31	50,529,655	42,291,302
Other expenses	32	48,916,161	82,589,162
Total expenses		**1,001,022,040**	**1,065,016,693**
Profit before tax		**(12,481,036)**	**8,587,475**
Tax expense			
Current tax	33	(2,300,000)	(6,200,000)
Deferred tax of previous years			-
Deferred tax		5,374,754	4,032,716
Total tax expenses		**3,074,754**	**(2,167,284)**
Profit for the year		**(9,406,282)**	**6,420,191**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit liability/ asset		(894,293)	(968,264)
Income tax relating to items that will not be reclassified to profit or loss		225,076	269,371
Other comprehensive income/(Expense) for the Year, net of tax		**(669,217)**	**(698,893)**
Total comprehensive income for the year		**(10,075,499)**	**5,721,298**
Earnings per equity share (face value of Rs 10 each)			
Basic		(52)	35
Diluted		(52)	35
Company Overview and Significant Accounting Policies	1 & 2		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No.: 004542S/S200070

Partner - Unnikrishnan Menon

Place: Bangalore
Date: 11-05-2020

for and on behalf of the Board of Directors of
Vedang Cellular Services Private Limited

Ashish Kapoor
Director
DIN.02752632

Place: Bangalore
Date: 11-05-2020

Srinivasan Guruprasad
Director
DIN No. 07596207

Place: Bangalore
Date: 11-05-2020

Vedang Cellular Services Private Limited
(A Subsidiary of Quess Corp Limited)
Statement of Changes in Equity for the period 1 April 2019 to 31 March 2020

(A) Equity share capital *(Amount in INR)*

Particulars	Note	31 March 2020
Opening balance	15	1,820,830
Changes in equity share capital	15	-
Closing balance		**1,820,830**

(B) Other equity *(Amount in INR)*

Particulars	Attributable to owners of the Company						
	Other equity						
		Reserves and surplus		Other equity	Other comprehensive income		Total attributable to equity holders of the Company
	Capital reserve	Retained earnings	Other Reserve	Securities premium account	Foreign currency translation reserve	Remeasurement of the net defined benefit liability/ asset	
Balance as of 1 April 2019	-	182,166,171	750,000	29,904,170	-	3,954,241	216,774,582
Add: Profit for the year	-	(9,406,282)	-	-	-	-	(9,406,282)
Add: Other comprehensive income (net of tax)	-	-	-	-	-	(669,217)	(669,217)
Add: Transfer to Other Reserve	-	-	-	-	-	-	-
	-	-			-	-	-
Balance as of 31st March 2020	-	172,759,889	750,000	29,904,170	-	3,285,024	206,699,083

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached
for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No.: 004542S/S200070

Partner - Unnikrishnan Menon
Membership No - 205703

Place: Bangalore
Date: 11-05-2020

for and on behalf of the Board of Directors of
Vedang Cellular Services Private Limited

Ashish Kapoor
Director
DIN.02752632

Place: Bangalore
Date: 11-05-2020

Srinivasan Guruprasad
Director
DIN No. 07596207

Place: Bangalore
Date: 11-05-2020

VASAN & SAMPATH LLP BANGALORE INDIA

VEDANG CELLULAR SERVICES PVT. LTD. MUMBAI

VEDANG CELLULAR SERVICES PRIVATE LIMITED
(A Subsidiary of Quess Corp Limited)
Statement of Cash flow Statement for the year ended on 31st March, 2020

Statement of Cash flows	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Cash flows from operating activities		
Profit before taxation	(12,481,036)	8,587,475
Adjustments for:		
Depreciation and amortisation expenses	50,529,655	42,300,754
Finance Cost	21,545,477	21,927,000
Interest Income	2,663	(51,810)
Deferred Tax Expenses	5,599,830	4,032,716
Gratuity passed through OCI	(894,293)	-
		-
Operating cash flows before working capital changes	64,302,296	76,796,135
Working capital changes:	-	-
Increase/(Decrease) in inventories, trade receivables and unbilled revenue	38,117,577	46,894,906
Increase/(Decrease) in loans, other financial assets and other assets	(11,707,705)	(19,421,637)
(Increase)/Decrease in trade payables and other financial liabilities	(43,549,321)	(18,697,959)
(Increase)/Decrease in other liabilities and provisions	4,850,271	(10,393,976)
Cash generated from operating activities	**(12,289,179)**	**(1,618,666)**
Income taxes	1,535,000	(3,907,927)
Net cash provided by/ (used in) operating activities (A)	**53,548,117**	**71,269,542**
Cash flows from investing activities		
Business acquisitions, net of cash acquired		
Purchase of property, plant and equipment	(20,735,996)	(49,336,533)
Asset Addition ROU on building	(11,360,867)	-
Interest received on term deposits	(2,663)	51,810
Net cash used in investing activities (B)	**(32,099,526)**	**(49,284,723)**
Cash flows from financing activities		
Interest Paid	(21,545,477)	(21,927,000)
Net cash provided by financing activities (C)	**(21,545,477)**	**(21,927,000)**
Net increase in cash and cash equivalents (A+B+C)	**(96,886)**	**57,818**
Cash and cash equivalents at beginning of period	**208,897**	**151,079**
Cash and cash equivalents at the end of the year (refer note 13)	**112,011**	**208,897**

As per our report of even date attached
for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No.: 004542S/S200070

Partner - Unnikrishnan Menon
Membership No - 205703

Place: Bangalore
Date: 11-05-2020

for and on behalf of the Board of Directors of
Vedang Cellular Services Private Limited

Ashish Kapoor
Director
DIN.02752632

Place: Bangalore
Date: 11-05-2020

Srinivasan Guruprasad
Director
DIN No. 07596207

Place: Bangalore
Date: 11-05-2020

1. Company Overview

Vedang Cellular Services Private Limited was incorporated in India as a Private Limited Company on 05th of April, 2010.The Company is engaged in the business of Providing Network Planning, Network Optimization in Building Solution, Installation & Commissioning & Skilled Manpower Supply Services to Wireless Telecom operator & Venders.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

Basis of preparation:

2.1 Statement of compliance:

These Ind AS financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") and the provisions of the Companies Act, 2013 ("Act") and the relevant rules thereunder. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Effective 1 April 2016, the Company has adopted all the Ind AS standards and the first-time adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The Company Standalone Ind AS financial statements are approved for issue by the Company's Board of Directors on 11 May 2020.

These Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.2 Basis of preparation of financial statements

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

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments) and

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO")

2.3 Use of estimates and judgement

The preparation of the Ind AS financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular,

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information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Ind AS financial statements is included in the following notes:

i. ***Contingent liabilities:*** Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except, in the extremely rare circumstances where no reliable estimate can be made).

ii. ***Income taxes:*** Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Availability of future taxable profits against which deferred tax amount can be used.

iii. ***Recognition of deferred tax assets:*** Availability of future taxable profit against which tax losses carried forward can be used.

iv. ***Measurement of defined benefit obligations:*** Key actuarial assumptions used for actuarial valuation.

v. ***Impairment of financial assets:*** The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost.

vi. ***Property, plant and equipment:*** The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

vii. ***Other estimates:*** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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2.5 Functional and presentation currency

Items included in the Ind AS financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.6 Property, plant and equipment:

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the standalone statement of profit and loss.

Subsequent expenditures relating to property. plant and equipment is capitalized 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. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. 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.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of the items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Straight-Line Method ('SLM'), and is recognised in the statement of profit and loss. The Management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act ,2013. Depreciation for assets purchased/ sold during the year is proportionately charged. The Company estimated the useful lives for items of property, plant and equipment as follows:

Category	Useful Life (years)
Plant and Machinery	3 years
Office equipment	3 years
Furniture & Fittings	3 years
Computer Hardware	3 years

The assets residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year end. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses)

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'.

2.7 Intangible assets

(i) Intangible assets

Other intangible assets such as computer software, copyright and trademarks are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expenses in the standalone statement of profit and loss.

The estimated useful lives of intangible assets are as follows:

Asset category	**Estimated useful life for 31 March 2019**
Software	3 years

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

2.8 Impairment of non-financial assets

Intangible assets and property, plant and equipment 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.9 Leases

Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The Company has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The Company's lease asset classes primarily consist of Land and Building. The Company assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate (As at 1 April 2019 - 9.5%).

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets:

The Company has elected not to recognize right-of-use assets and liabilities for short-term leases of INR 100,000 that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Practical expedients adopted on initial recognition:

1. The agreements maturing within 12 months from the initial application of Ind AS 116, are not considered.
2. Single discount rate is applied to a portfolio of leases with reasonably similar characteristics on the date of initial application.
3. Value of initial direct costs (such as Stamp Duty, registration costs etc. already paid) excluded from the measurement of ROUA.

2.10 Revenue recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration it expects to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts are recognised as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation. Certain arrangements are on time and material basis and are recognised as the services are performed as per the terms of the arrangement with the customer.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of service delivery costs.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Refer Note 41 for disclosure related to revenue from contracts with customers.

2.11 Other income

Other income mostly comprises interest income on deposits, dividend income and gain/ (losses) on disposal of financial assets and non-financial assets. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

2.12 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates in effect on the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in the standalone statement profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

2.13 Financial instruments

a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

c) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. **Note 33** details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL

d) Derecognition of financial assets

The Company derecognizes a financial asset when the
- contractual rights to the cash flows from the financial asset expires, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or
- Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

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

Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss (FVTPL) or amortised cost.

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.

b) 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 FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. 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 that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at FVTPL 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 recognised in OCI. These gains/ losses 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. The Company has not designated any financial liability as at FVTPL.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("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.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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 or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.14 Employee benefits

(a) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Remeasurement of the net defined benefit liability/ asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(b) Short-term benefit plans

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. shortterm cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employees, and the amount of obligation can be estimated reliably.

(c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit Method as at the reporting date.

(d) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(e) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.15 Taxes

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

Current 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 as on the balance sheet date.

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

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. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.16 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognizes any impairment loss on the assets associated with the contract.

2.17 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.18 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.20 Earnings per share

The basic earnings per share is computed by dividing the net profit/ (loss) attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

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3 Property, plant and equipment

(Amount in INR)

Particulars	Furniture and fixtures	Vehicles	Plant and machinery	Computer equipment	Office equipment	ROU Building	Total Property, plant and equipment
Balance as at 01-04-2018	2,415,185	-	13,675,351	31,112,812	-	-	47,203,348
Additions/ (Deletion) during the year	574,283	1,200,000	7,810,026	19,775,226	-	-	29,359,534
Balance as at 01-04-2019	2,989,468	1,200,000	21,485,376	50,888,038	-	11,360,867	87,923,749
Additions/ (Deletion) during the year	23,000	(1,200,000)	8,836,490	3,932,533	53,393		11,645,416
Balance as at 31st Mar 2020	3,012,468	-	30,321,867	54,820,570	53,393	11,360,867	99,569,165
Accumulated depreciation as on 1st Apr`2018	872,845	-	3,189,105	8,812,984			12,874,935
Additions/ (Deletion) during the year	1,017,786	228,027	6,330,778	17,787,763			25,364,354
Accumulated depreciation as on 1st Apr`2019	1,890,631	228,027	9,519,883	26,600,747	-	-	38,239,289
Regrouping as on 1 April 2019				(4,519,165)			(4,519,165)
Regrouped Accumulated depreciation as on 1st Apr`2019	1,890,631	228,027	9,519,883	22,081,582	-	-	33,720,124
Depreciation for the Period	739,564	287,680	7,670,261	16,517,832	2,217	5,393,449	30,611,003
Additions/ (Deletion) during the year		(515,707)					
Balance as at 31st Mar 2020	2,630,195	-	17,190,144	38,599,414	2,217	5,393,449	63,815,420
Net Carrying Amount							
As at 31st Mar 2020	382,273	-	13,131,722	16,221,156	51,176	5,967,418	35,753,745
As at 31st Mar 2019	1,098,837	971,973	11,965,493	28,806,455	-	-	42,842,758

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4 Other intangible assets

Particulars	Softwares
Balance as at 01-04-2018	**50,370,191**
Additions/ (Deletion) during the year	**19,967,547**
Balance as at 1 April 2019	70,337,738
Additions during the year	8,574,873
Balance as at 31st Mar 2020	**78,912,611**
Accumulated depreciation as on 1st Apr'2018	**14,895,284**
Additions/ (Deletion) during the year	16,926,948
Accumulated Depreciation as on 1 April 2019	31,822,232
Regrouping as on 1 April 2019	4,519,165
Regrouped Accumulated depreciation as on 1st Apr'2019	36,341,397
Depreciation for the Period	19,918,651
Balance as at 31st Mar 2020	**56,260,048**
As at 31st Mar 2020	**22,652,563**
As at 31st Mar 2019	**33,996,341**

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5 **Deferred tax assets (net)**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax asset on liabilities:		
Impairment loss allowance on financial assets	508,187	45,952
Provision on employee benefits- Compensated absences	170,219	189,982
Provision on employee benefits- Gratuity	2,056,693	1,103,913
Deferred tax asset on assets:		
Deferred tax on fixed assets	5,086,901	612,951
Net deferred tax assets	**7,822,000**	**2,222,170**

6 **Income tax assets (net)**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets	90,917,936	88,158,314
Income Tax Liabilities	(8,500,000)	(6,200,000)
	82,417,936	**81,958,314**

7 **Other non-current assets**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	13,813	161,025
	13,813	**161,025**

8 **Trade receivables**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Considered good	190,808,195	221,631,180
Considered doubtful	-	-
	190,808,195	**221,631,180**
Loss allowance		
Unsecured considered good	(1,092,346)	(165,177)
Doubtful	-	-
	(1,092,346)	**(165,177)**
Net trade receivables	**189,715,849**	**221,466,003**

All trade receivables are current.

Of the above, trade receivables from related parties are as below:

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables from related parties (Vedang Radio Technologies Private Limited)	-	960,852
Less: loss allowance	-	(4,804)
Net trade receivables	-	**956,048**

For terms and conditions of trade receivables owing from related parties refer note 37.
The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 33.

9 **Cash and cash equivalents**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
Cash on hand	10,796	147,942
Balances with banks		
In current accounts	101,214	60,953
Cash and cash equivalents in the statement of cash flow	**112,010**	**208,895**

10 **Bank balances other than cash and cash equivalents above**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
In deposit accounts (due to mature within 12 months from the reporting date)	500,000	500,000
	500,000	**500,000**

11 **Current loans**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Security deposits	2,464,103	2,999,095
Other loans and advances		
Advances to employees	228,582	397,015
	2,692,685	**3,396,110**

12 **Other current financial assets**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Interest accrued but not due	237,321	239,984
	237,321	**239,984**

13 **Unbilled revenue**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Unbilled revenue	77,872,199	83,312,789
Less: Loss Allowance	(926,833)	-
	76,945,366	**83,312,789**

14 **Other current assets**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	2,620,467	652,807
Balance with Government Authorities	0	-
	2,620,467	**652,807**

15 **Equity share capital**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
250,000 (31 March 2019: 250,000) equity shares of par value of Rs 10	2,500,000	2,500,000
	2,500,000	**2,500,000**
Issued, subscribed and paid-up		
182,083 (31 March 2019: 182,083) equity shares of par value of Rs 10 each, fully paid up	1,820,830	1,820,830
	1,820,830	**1,820,830**

15.1 **Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 March 2020	As at 31 March 2019
	Number of shares	**Number of shares**
Equity shares		
At the commencement of the year	182,083	182,083
Shares issued during the year		-
At the end of the year	**182,083**	**182,083**

15.2 **Rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amounts (if any) in proportion to the number of equity shares held.

15.3 **Details of shareholders holding more than 5% shares in the Company** *(Amount in INR)*

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% Held	Number of shares	% Held
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Ltd	161,524	89%	127,458	70%
Vedang Radio Technology Private Limited	-	0%	27,213	15%
Ashish Kapoor	20,559	11%	27,412	15%
	182,083	**100%**	**182,083**	**100%**

16 **Other equity***

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Securities premium account (refer note 16.1)	29,904,170	29,904,170
Other Reserves	750,000	750,000
Retained earnings	172,759,889	182,166,171
Other comprehensive income (refer note 16.2)	3,285,024	3,954,241
	206,699,083	**216,774,582**

* For detailed movement of reserves refer Statement of Changes in Equity.

16.1 **Securities premium account**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

16.2 **Other comprehensive income**

Remeasurement of defined benefit liability (asset) comprises actuarial gain and losses and return on plan assets (excluding interest income).

17 **Deferred tax liabilities**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities	-	-
	-	-

18 **Non-current provisions**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Provision for gratuity (refer note 39)	3,582,760	2,764,450
Provision for compensated absences	200,670	191,700
		-
	3,783,430	**2,956,150**

19 **Other non-current financial liabilities**

(Amount in INR)

Particulars		As at31 March 2019
Lease Liability	985,408	-
	985,408	-

20 **Current borrowings**

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
Working capital loan		-
Cash credit and overdraft facilities (refer note 19.1)	51,444,917	81,408,410
	51,444,917	**81,408,410**

Information about the Company's exposure to interest rate and liquidity risk is included in note 33.

20.1 The Company has taken cash credit facilities having interest rate of 3m MCLR. These facilities are repayable on demand and are secured primarily by way of pari paasu first charge on the entire current assets of the Company on both present and future and collateral by way of pari passu first charge on the entire fixed assets of the Company including capital goods and capital work in progress excluding charge on vehicles both present and future of the Company. The facility is supported with Quess Corp's guarantee. Also, Credit card in the name of company has 1.71 lac drawn included in cash credit and overdraft facilities.

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21 Trade payables

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Dues to micro, small and medium enterprises (refer note 40)		-
Other trade payables	39,856,409	50,500,531
	39,856,409	**50,500,531**

All trade payables are current.

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 33.

22 Other current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Other payables		
Accrued salaries and benefits	42,927,401	37,861,998
Expense Accrual	45,840,797	55,921,704
Provision for bonus and incentive	-	3,484,400
Lease Liability	5,558,197	-
	94,326,395	**97,268,102**

24 Current provisions

(Amount in INR)

Particulars	As at31 March 2020	As at 31 March 2019
Provision for employee benefits		
Provision for gratuity (refer note 39)	3,694,804	2,171,871
Provision for compensated absences	475,660	491,198
	4,170,464	**2,663,069**

25 Other current liabilities

(Amount in INR)

Particulars	As at31 March 2020	As at 31 March 2019
Balances payable to government authorities	18,396,819	17,565,524
	18,396,819	**17,565,524**

The Company's exposure to currency and liquidity risk related to other current liabilities is disclosed in note 34

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Vedang Cellular Services Private Limited
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Notes to the financial statements for the period 1 April 2019 to 31st March 2020

26 Revenue from operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of services	980,517,390	1,024,111,500
	980,517,390	1,071,561,866

*Changes in Unbilled Revenue (Unbilled Revenue - Net)

Opening Unbilled Revenue	83,312,789	130,763,155
Closing Unbilled Revenue	77,872,199	83,312,789
	(5,440,590)	(47,450,366)

27 Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income under the effective interest method on:		
Deposits with banks	(2,663)	51,810
Interest income on present valuation of financial instruments	147,767	128,620
Interest on tax refunds	4,559,846	1,261,899
Foreign exchange gain	-	168,768
Liabilities no longer required written back	-	431,204
Other Income pertaining to GST *(refer Note No. 46)	3,318,664	-
	8,023,614	2,042,302

28 Direct Service Cost

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Installation charges	152,668,366	170,367,661
Equipment hire charges	33,213,127	48,422,269
Travelling and conveyance	134,179,068	122,872,223
Vehicle Hire Charges	45,708,048	88,295,971
	365,768,610	429,958,124

29 Employee benefit expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	495,821,728	471,559,976
Contribution to provident and other funds	15,400,242	12,031,667
Expenses/ (Reversal) related to defined benefit plans	1,686,275	1,795,940
Staff welfare expenses	1,353,892	2,863,522
	514,262,137	488,251,105

30 Finance costs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense	21,545,477	21,927,000
	21,545,477	21,927,000

VEDANG CELLULAR SERVICES PVT. LTD.

31 **Depreciation and amortisation expenses**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment	30,611,004	25,364,354
Amortisation of intangible assets	19,918,651	16,926,948
	50,529,655	**42,291,302**

32 **Other expenses**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Rent	1,828,489	7,194,767
Power and fuel	2,486,297	2,168,673
- plant and machinery	235,819	448,498
- others	753,768	1,087,536
Legal and professional fees (refer note 32.1)	16,968,212	44,146,732
Rates and taxes	1,679,574	1,052,387
Printing and stationery	5,290,743	3,929,750
Consumables	5,108,963	7,425,280
Travelling and conveyance	2,654,556	4,421,703
Communication expenses	5,759,365	8,424,827
Impairment loss allowance on financial assets, net	1,854,003	(865,860)
Insurance	850,711	403,830
Bank charges	368,348	273,147
Business promotion and advertisement expenses	888,900	409,464
Loss on sale of property, plant and equipment and intangible assets, net	104,293	-
Foreign exchange loss, net	23,943	-
Miscellaneous expenses	2,060,176	2,068,427
	48,916,161	**82,589,162**

32.1 **Payment to auditors (net of service tax; included in legal and professional fees)**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit fees	550,000	700,000
	550,000	**700,000**

Vedang Cellular Services Private Limited
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Notes to the financial statements for the period 1 April 2019 to 31st March 2020

33 Taxes

A Amount recognised in profit or loss

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax:		
In respect of the current period	2,300,000	6,200,000
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	(5,374,754)	(4,032,716)
Income tax expense reported in the Statement of Profit and Loss	**(3,074,754)**	**2,167,284**

B Income tax recognised in other comprehensive income

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of the net defined benefit liability/ asset		
Before tax	(894,293)	(968,264)
Tax (expense)/ benefit	225,076	269,371
Net of tax	**(669,217)**	**(698,893)**

C Reconciliation of effective tax rate

(Amount in INR)

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019
	Rate	Amount	Amount
Profit before tax		(12,481,036)	8,587,475
Tax using the Company's domestic tax rate	25.16%	(3,140,000)	2,389,035
Effect of:			
Non Deductible Expenses	-44.15%	5,510,000	4,309,899
Deferred Tax Credit	43.06%	(5,374,754)	(4,032,716)
Income tax relating to items that will not be reclassified to profit or loss	0.00%	-	(498,934)
Effective tax rate	24.07%	**(3,004,754)**	**2,167,284**
Less: Impact on account of MAT credit		-	
Less: Impact of account of change in rate of MAT vs normal tax rate		-	
Less: Excess provision related to prior years		-	
Income tax expense reported in the Statement of Profit and Loss	**24.07%**	**(3,004,754)**	**2,167,284**

D The following tables provides the details of income tax assets and income tax liabilities
Non-current tax assets (net)

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets	90,917,936	88,158,314
Income tax liabilities	(8,500,000)	(6,200,000)
Net income tax assets at the end of the year	**82,417,936**	**81,958,314**

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E Deferred tax assets, net

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax:		
Provision on employee benefits- Gratuity	2,056,693	1,373,285
Provision on employee benefits- Compensated absences	170,219	189,982
Brought forward losses		-
Impairment on financial asset	508,187	45,952
Deferred tax on fixed assets	5,086,901	612,951
Net deferred tax liability	**7,822,000**	**2,222,170**

F Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in INR)

For the year ended 31 March 2020	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:					
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax	612,951		5,091,643		**5,704,594.30**
Provision for employee benefits, compensated absences	1,563,267	-	283,111	-	**1,846,378.03**
Impairment on financial asset	45,952	-	-	-	**45,952.16**
Remeasurements gains / (losses) on defined benefit plans	-	-		225,076	**225,075.66**
Gross deferred tax assets	**2,222,170**		**5,374,754**	**225,076**	**7,822,000**

34 Financial instruments - fair value and risk management **To Discuss**

Financial instruments by category

Particulars	Note	31 March 2020			31 March 2019		
		FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets:							
Loans		-	-	2,692,685	-	-	3,396,110
Trade receivables		-	-	189,715,849	-	-	221,466,003
Cash and cash equivalents including other bank balances		-	-	612,010	-	-	708,897
Other financial assets		-	-	237,321	-	-	239,984
Unbilled revenue		-	-	76,945,366	-	-	83,312,789
Total financial assets		**-**	**-**	**270,203,231**	**-**	**-**	**309,123,783**
Financial Liabilities:							
Trade payables		-	-	39,856,409	-	-	50,500,531
Current borrowings		-	-	51,444,917	-	-	81,408,410
Other financial liabilities		-	-	94,326,395	-	-	97,268,102
Total financial liabilities		-	-	**185,627,721**	-	-	**229,177,043**

*Current maturities of long-term borrowings forms part of other financial liabilities

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value.

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

Fair value of Financial Instruments as at 31 March 2020

(Amount in INR)

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	2,692,685	-	-	-
Trade receivables	189,715,849	-	-	-
Cash and cash equivalents including other bank balances	612,010	-	-	-
Other financial assets	237,321	-	-	-
Unbilled revenue	76,945,366	-	-	-
Total financial assets	**270,203,231**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Trade payables	39,856,409	-	-	-
Current borrowings	51,444,917	-	-	-
Other financial liabilities	94,326,395	-	-	-
Total financial liabilities	**185,627,721**	**-**	**-**	**-**

Fair Value of Financial Instruments as at 31 March 2019

(Amount in INR)

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	3,396,110	-	-	-
Trade receivables	221,466,003	-	-	-
Cash and cash equivalents	708,897	-	-	-
Other financial assets	239,984	-	-	-
Unbilled revenue	83,312,789	-	-	-
Total financial assets	**309,123,783**	-	-	-
Financial liabilities measured at amortised cost				
Trade payables	50,500,531	-	-	-
Current borrowings	81,408,410	-	-	-
Other financial liabilities	97,268,102	-	-	-
Total financial liabilities	**229,177,043**	-	-	-

* *The fair value of these financial instruments is determined by using level 3 inputs of the fair value hierarchy.*

Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

Fair valuation method

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

A Financial Assets:

The Company has not disclosed the fair values for loans, trade receivables, cash and cash equivalents including other bank balances, unbilled revenue and other financial assets because their carrying amounts are a reasonable approximation of their fair value.

B Financial Liabilities:

Borrowings: It includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the loan is reset on a monthly/quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

Trade payables and other liabilities: Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

Vedang Cellular Services Private Limited
(A Subsidiary of Quess Corp Limited)
Notes to the financial statements for the period 1 April 2019 to 31st March 2020

35 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk

The Company's principal financial liabilities comprise loans and borrowings, Provisions, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Risk management framework

The Company's has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current asset. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Credit risk on cash and cash equivalents and other bank balances and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loan represents security deposits given to suppliers, employees and others. The credit risk associated with such deposits is relatively low

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

The Company's exposure to credit risk is influenced mainly by its customer. However, the management also considers the factors that may influence the credit risk of its customer base. The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers.

At 31 March 2020, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

Particulars	Period ended	
	31 March 2020	31 March 2019
India	190,808,194	221,631,181
	190,808,194	221,631,181

Expected credit loss assessment for corporate customers as at 31 March 2020 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers. Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 360 days past due. Loss rates are based on actual credit loss experience over the last six quarters. These rates have been adjusted to reflect the management's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:
As at 31 March 2020

(Amount in INR)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	157,144,836	0.01%	21,072	No	157,123,764
Past due 1–90 days	29,397,468	0.35%	102,161	No	29,295,306
Past due 91–180 days	1,765,101	5.36%	94,621	No	1,670,480
Past due 181–270 days	1,161,436	13.75%	159,688	No	1,001,748

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Past due 271–360 days	953,230	34.48%	328,663	No	624,567
Above 360 days	386,123	100.00%	386,123	Yes	-
	190,808,194		1,092,329		189,715,865

As at 31 March 2019

(Amount in INR)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	207,912,910	0.02%	41,449	No	207,871,461.23
Past due 1–90 days	12,348,787	0.50%	61,314	No	12,287,473.14
Past due 91–180 days	1,260,724	3.60%	45,342	No	1,215,382.19
Past due 181–270 days	88,615	11.43%	10,129	No	78,485.73
Past due 271–360 days	20,145	34.46%	6,943	No	13,202.27
Above 360 days	-	100.00%	-	Yes	-
	221,631,181		165,177		221,466,005

Movement in allowance for impairment in respect of trade receivables:

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(Amount in INR)

Particulars	31 March 2020	31 March 2019
Balance as at the beginning of the year	165,176	1,093,098.00
Impairment loss allowances recognised/ (reversed)	927,153	(927,922)
Balance as at the end of the year	1,092,329	165,176

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Cash and cash equivalents includes investment in fixed deposits with banks.

ii) Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

i) Financing arrangement

The Company maintains the following line of credit:

(i) The Company has taken cash credit having interest rate of 3m MCLR. These facilities are repayable on demand and are secured primarily by way of pari paasu first charge on the entire current assets of the Company on both present and future and collateral by way of pari passu first charge on the entire fixed assets of the Company including capital goods and capital work in progress excluding charge on vehicles both present and future of the Company. The facility is supported with Quess Corp's guarantee.

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(Amount in INR)

Particulars	31 March 2020	31 March 2019
Expiring within one year (cash credit and overdraft facilities)	148,555,083	68,591,590
Expiring within one year (bill discounting facility)	-	-

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2020

(Amount in INR)

Particulars		Contractual cash flows			
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	51,444,917	51,444,917	-	-	-
Trade payables	39,856,409	39,856,409	-	-	-
Other financial liabilities	94,326,395	94,326,395	-	-	-

As disclosed in note 19 and note 19.1, the Company has a secured bank loan that contains a loan covenant. A future breach of covenant may require Company to repay the loan earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long-term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the related entities.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk as reported to management is as follows:

Particulars	Currency	As at 31 March 2020		As at 31 March 2019	
		Foreign currency*	Amount in Reporting Currency	Foreign currency*	Amount in Reporting Currency
Other liabilities	EUR	-	-	52,860	4,105,763
		-	-	**52,860**	**4,105,763**

*Foreign currency values are in actuals and not recorded in lakhs.

The following significant exchange rates have been applied

Particulars	Year end spot rate	
	31 March 2020	31 March 2019
EUR/ INR	-	77.67

ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowing comprises of invoice discounting facility which carries fixed rate of interest and borrowings from holding company, which do not expose it to significant interest rate risk.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	51,444,917	81,408,410
Total borrowings	**51,444,917**	**81,408,410**

(b) Sensitivity

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2020				
Variable rate borrowings	(514,449)	514,449	(384,973)	384,973
31 March 2019				
Variable rate borrowings	(814,084)	814,084	(587,606)	587,606

36 **Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of Non-current borrowing and current borrowing, less cash and cash equivalents.

The Company's policy is to keep the ratio below 2.50. The Company's adjusted net debt to equity ratio are as follows:

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Total liabilities	212,963,842	270,584,730
Less: Cash and cash equivalents	112,010	208,897
Adjusted net debt	**212,851,831**	**270,375,833**
Total equity	208,519,913	217,676,427
Less: Effective portion of cash flow hedges and cost of hedging	-	-
Total equity	**208,519,913**	**217,676,427**
Net debt to equity ratio	**1.02**	**1.24**

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37 Contingent Liability and Capital Commitments

Capital Commitment and Contingent Liability

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for - Software Heptagon)	1,000,000	-

The company has no Contingent Liability as on 31-03-2020

38 **Earnings per share**

(Amount in INR except number of shares and per share data)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Nominal value of equity shares	10	10
Net profit after tax for the purpose of earnings per share	(9,406,282)	6,420,191
Weighted average number of shares used in computing basic earnings per share	182,083	182,083
Basic earnings per share	**(51.66)**	**35.26**
Weighted average number of shares used in computing diluted earnings per share	182,083	182,083
Diluted earnings per share	**(51.66)**	**35.26**

39 **Expenditure in foreign currency**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Software Purchases	6,350,533	9,220,535
	6,350,533	**9,220,535**

40 **Related party disclosures**

(i) **Name of related parties and description of relationship:**

Name of related parties and description of relationship:

- Entities having significant influence	Fairfax Financial Holdings Limited Fairfax (US) Inc. HWIC Asia Fund Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019) Thomas Cook (India) Limited (upto 6 December 2019) Fairfax (US) Inc. National Collateral Management Services Limited
- Subsidiaries, associates and joint venture	Refer note (ii)
- Entities having common directors	Qdigi Services Limited Monster.Com (India) Private Limited Simpliance Technologies Private Limited Comtel Solutions Pte. Ltd. (Singapore) Comtel Pro Pte. Ltd. (Singapore) Quess Services Ltd. (Bangladesh) Allsec Technologies Limited Coromandel Agro Products and Oils Limited Conneqt business Solutions Limited Hyderabad Crime & Legal Solutions Private Limited MFX Infotech Private Limited Excelus Learning Solutions Private Limited Monster.Com (India) Private Limited Greenpiece Landscapes India Private Limited Qdigi Services Limited Simpliance Technologies Private Limited

Trimax Smart Infraprojects Private Limited
Terrier Security Services (India) Private Limited
Vedang Radio Technologies Private Limited(Till 09-12-2019)

Key management personnel:
The Company has also entered into transactions with the key management personnel. The Key management

- Entity in which key managerial personnel have significant influence	Careworks foundation

Key executive management personnel

Name	**Designation**
Ashish Banarasilal Kapoor	Whole Time director
Ayyagari Rajeswara Rao	Independent Director
Subramanian Ramakrishnan	Director
Rallabhandi Lakshmi Sarada	Independent Director
Srinivasan Guruprasad	Director
Lohit Bhatia	Director
Neil Elijah	Director (Till 04-10-2019)
Satish Kumar	Director (Till 09-12-2019)

(ii) List of subsidiaries (including step-subsidiaries), associates and joint venture

- Fellow subsidiaries

Coachieve Solutions Private Limited[1]
MFX Infotech Private Limited
Aravon Services Private Limited[1]
Brainhunter Systems Ltd.
Mindwire Systems Limited
Quess (Philippines) Corp.
Quess Corp (USA) Inc.
Quesscorp Holdings Pte. Ltd.
Quess Corp Vietnam LLC
Quessglobal (Malaysia) SDN. BHD.
Quess Corp Lanka (Private) Limited
Comtel Solutions Pte. Ltd.
MFXchange Holdings, Inc.
MFXchange US, Inc.
MFX Chile SpA
Dependo Logistics Solutions Private Limited
CentreQ Business Services Private Limited[1]
Excelus Learning Solutions Private Limited
Conneqt Business Solution Limited
Master Staffing Solutions Private Limited[1]
Golden Star Facilities and Services Private Limited
Comtelpro Pte. Limited.
Comtelink Sdn. Bhd
Monster.com (India) Private Limited
Monster.com.SG PTE Limited
Monster.com HK Limited
Agensi Pekerjaan Monster Malaysia SDN. BHD.
Quesscorp Management Consultancies
Quesscorp Manpower Supply Services LLC
Qdigi Services Limited
Greenpiece Landscapes India Private Limited
Simpliance Technologies Private Limited
Allsec Technologies Limited
Allsectech Inc., USA
Allsectech Manila Inc., Philippiness
Retreat Capital Management Inc., USA
Trimax Smart Infraprojects Private Limited

	Quess Corp Services Limited
- Associates of Holding Company	Heptagon Technologies Private Limited Quess East Bengal FC Private Limited Quess Recruit, Inc. Agency Pekerjaan Quess Recruit SDN. BHD. Terrier Security Services (India) Private Limited
- Joint Venture of Holding Company	Himmer Industrial Services (M) SDN. BHD.

1. Merged w.e.f 1 April 2019 pursuant to approval from the Regional Direcor, South East Region, MCA.

(iii) Related party transactions during the year

Particulars		31 March 2020	31 March 2019
Revenue from operations			
	Vedang Radio Technologies Private Limited	-	960,852
Other expenses			
	Quess Corp Ltd	167,690	25,000,000
	Vedang Radio Technologies Private Limited	1,800,000	2,250,000
	Monster.com	45,600	-
Finance costs			
- Interest expense	Vedang Radio Technologies Private Limited	-	-
	Quess Corp Ltd	2,711,734	441,852
Loans taken From related parties			
	Vedang Radio Technologies Private Limited		-
	Quess Corp Ltd	68,600,000	80,000,000
Loans Repaid to related parties			
	Vedang Radio Technologies Private Limited		-
	Quess Corp Ltd	68,600,000	80,000,000
Deposit given to related parties			
	Vedang Radio Technologies Private Limited	-	1,000,000
Purchase of intangible asset			
	Heptagon Technologies Pvt Ltd.	1,468,500	-
Guarantees received			
	Quess Corp Ltd	200,000,000	150,000,000

(iv) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars		As at 31 March 2020	As at 31 March 2019
Trade receivables (gross of loss			
	Vedang Radio Technologies Private Limited	-	960,852
Guarantees Outstanding			
	Quess Corp Ltd	200,000,000	150,000,000
Trade payables			
	Quess Corp Ltd	167,690	729,000
	Monster.Com	45,600	-
Deposit given to related parties			
	Vedang Radio Technologies Private Limited	-	1,000,000

(v) Compensation of key managerial personnel*

Particulars	For the period ended 31st March 2020	For the period ended 31st March 2019
Ashish Kapoor	8,681,922	8,051,412
	8,681,922	**8,051,412**

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date . None of the balances are secured.

41 **Leases IND AS 116**

Lease liability

Particulars	As at 31 March 2020
liability	5,558,197
liability	985,408
Total	**6,543,605**

The following is the movement in lease liabilities

Particulars	As at 31 March 2020
Operating lease recognised on adoption of Ind AS 116	11,235,622
Reclassification on adoption of Ind AS 116 - Fin lease obligation	
Add: Additions	125,245
Add: Additions through business combination	
Less: Deletion	
Add: Finance cost accrued during the period	875,568
Less: Payment of lease obligation	(5,692,830)
Translation loss / (gain)	
Carrying amount as at 31 March 2020	6,543,606

Amount recognised in PL

Particulars	For the year ended 31 March 2020
Interest expense (included in finance cost)	875,568
Expenses relating to short-term lease (included in other expenses)	1,828,489
Expenses relating to lease of low value assets that are not included above (included in other expenses)	-
	2,704,057.17

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March 2020
Less than one year	5,558,197
One to five years	985,408
More than five years	-
	6,543,605

Rental expense recorded for short-term leases was 18,28,489 Rs.

44 **Dues to micro, small and medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company

42 **Assets and liabilities relating to employee benefits**

A

(*Amount in Entity Currency*)

Particulars	As at 31 March 2020	As at 31 March 2019
Net defined benefit liability, gratuity plan	7,277,564	4,936,321
Liability for compensated absences	676,330	682,898
Total employee benefit liability	**7,953,894**	**5,619,219**
Current	4,170,464	491,198
Non-current	3,783,430	5,128,021
	7,953,894	**5,619,219**

B Reconciliation of net defined benefit liability/ asset of gratuity plan

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its

(*Amount in Entity Currency*)

Particulars	As at 31 March 2020	As at 31 March 2019
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	4,936,321	2,557,637
Additions through business combination	-	-
Current service cost	1,596,678	1,239,180
Interest cost	324,014	171,240
Past service cost	-	-
Benefit settled	(473,742)	-
Actuarial (gains)/ losses recognized in other comprehensive income		-
- Changes in experience adjustments	681,141	953,189
- Changes in demographic assumptions	(1,034)	-
- Changes in financial assumptions	214,186	15,075
Obligation at the end of the year	**7,277,564**	**4,936,321**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	-	-
Additions through business combination	-	-
Interest income on plan assets	-	-
Remeasurement- actuarial gain/(loss)	-	-
Return on plan assets recognized in other comprehensive income	-	-
Contributions	-	-
Benefits settled	-	-
Plan assets as at the end of the year	-	-
Net defined benefit liability	**7,277,564**	**4,936,321**

C I) Expense recognized in statement of profit or loss

(*Amount in Entity Currency*)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	1,596,678	1,239,180
Interest cost	324,014	171,240
Past service cost	-	-
Interest income	-	-
Net gratuity cost	**1,920,692**	**1,410,420**

ii) Re-measurement recognized in other comprehensive income

(*Amount in Entity Currency*)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of the net defined benefit liability	894,293.00	968,264.00
Remeasurement of the net defined benefit asset	-	-
	894,293.00	**968,264.00**

D Plan assets

(Amount in Entity Currency)

Particulars	As at 31 March 2020	As at 31 March 2019
Funds managed by insurer	-	-
	-	-

E Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	4.95%	6.69%
Future salary growth	7.50%	7.50%
Attrition rate	62.00%	62.00%

F Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Employees

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	7,142,252	7,417,885	4,837,409	5,039,047
Future salary growth (1% movement)	7,411,690	7,144,853	5,037,036	4,837,416
Attrition rate (-/+50%% movement)	5,835,219	10,951,126	8,602,652	3,455,729

43 Covid 19 Assessment

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

45 Revenue from Contracts with customers

(i) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers by geography for each of our business segments for the year ended 31 March 2020. The company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Year ended 31 March 2020 *(Amount in INR)*

Particulars	Industrials	Total
Revenues by Geography		
India	980,517,390	980,517,390
Total	980,517,390	980,517,390

Revenue disaggregation as per segment and geography has been included in segment information (Refer note 42).

(ii) Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.
Invoicing in excess of earnings are classified as unearned revenue.
Trade receivable and unbilled revenues are presented net of impairment in the Standalone Balance Sheet.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in INR)

Particulars	As at 31 March 2020	As at 1 April 2019
Receivables, which are included in 'Trade and other receivables'	189,715,849	221,466,003
Contract assets (Unbilled revenue)	76,945,366	83,312,789
Contract liabilities (Unearned revenue & Advance r'd from customers)	-	-

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2020

(Amount in INR)

Particulars	For the year ended 31 March 2020
Balance at the beginning	83,312,789
Add : Revenue recognized during the period	980,517,390
Less : Invoiced during the period	(985,957,980)
Less : Impairment / (reversal) during the period	(926,833)
Add: Changes due to Business Combinations	-
Add : Translation gain/(Loss)	-
Balance at the end	76,945,366

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the company has not disclosed the value of remaining performance obligations for
(i) contracts with an original expected duration of one year or less and
(ii) contracts for which the company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2020, other than those meeting the exclusion criteria mentioned above, is NIL.

does not have any amounts payable to such enterprises as at 31 March 2019 based on the information received and available with the Company.

Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

45 **Segment reporting**

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Company is in the business of Providing Network Planning, Network Optimization in Building Solution, Installation & Commissioning & Skilled Manpower Supply Services to Wireless Telecom operator & Venders for group companies and other external clients which are considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The Company caters to the needs of only the Indian market. Accordingly, there are no reportable secondary geographical segments.

46 **Other Income - GST Impact**

Impact of GST pursuant to GST audit for FY 2017-18 concluded in March 2020 recognised in current period	For the year ended 31 March 2020
GST Input Credit availed earlier (reversed as in-eligible)	4,300,560
GST paid on advances (excess) recognised as Refund Claimable*	(7,619,224)
Amount routed through Other Income	**(3,318,664)**

* Considering the above the management based on advise from GST consultants has assessed the net impact and is is confident obtaining the refund claim in full. . In addition, interest of Rs. 22 lakh (approximately) is accrued in the books.

47 Previous year figures are reclassified/regrouped wherever necessary.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No.: 004542S/S200070

Partner - Unnikrishnan Menon
Membership No - 205703

Place: Bangalore
Date: 11-05-2020

for and on behalf of the Board of Directors of
Vedang Cellular Services Private Limited

Ashish Kapoor
DIN.02752632

Place: Bangalore
Date: 11-05-2020

Srinivasan Guruprasad
DIN No. 07596207

Place: Bangalore
Date: 11-05-2020

QUESSCORP HOLDINGS PTE. LTD.

Company Reg. No.: 201526129N

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Joe Tan & Associates PAC
Chartered Accountants

1 Coleman Street #05-16 The Adelphi Singapore 179803
Tel: (65) 6837 0360 Fax: (65) 6837 0369
Email: enquiry@jdt.com.sg website: www.jdt.com.sg
Incorporated with Limited Liability Regn No. 200801266N

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

CONTENTS

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The directors are pleased to present the statement to the members together with the audited financial statements of Quesscorp Holdings Pte. Ltd. (the "Company") for the financial year ended 31 March 2020.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors of the Company in office at the date of this statement are:

Ramakrishnan Subramanian	(Appointed on 1 April 2019)
Ajit Abraham Isaac	
Jur Keckeis Roman Werner	
Sandro Lang	

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE OF SHARES OR DEBENTURES

Neither at the end nor at any time during the financial year was the Company a party to any arrangement whose object are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

The directors of the company holding office at the end of the financial year had no interest of the share capital or debentures of the company or of related corporations either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year as recorded in the register of directors' shareholdings kept by the company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), except as follows:

	Direct interest	
Name of directors	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company		
The Holding Company		
Ajit Abraham Isaac	17,654,674	17,654,674

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

5. SHARES OPTIONS

There were no shares options granted during the financial year to subscribe for unissued shares of the Company or any corporation in the group.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the group.

There were no unissued shares of the Company or any corporation in the group under shares option at the end of the financial year.

6. AUDITORS

JOE TAN & ASSOCIATES PAC, Public Accountants and Chartered Accountants, has expressed its willingness to accept appointment as Auditors.

On behalf of the Board of Directors

S. Ramakrishnan

....
Ramakrishnan Subramanian
Director

....
Ajit Abraham Isaac
Director

Singapore

Quesscorp Holdings Pte Ltd. *

26 MAY 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

QUESSCORP HOLDINGS PTE. LTD.

Report on the Financial Statements

Opinion

We have audited the financial statements of Quesscorp Holdings Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement on pages 1 to 2.

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.

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Member of PrimeGlobal, representing in more than 80 countries
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Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducts in accordance with SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Joe Tan & Associates Pac

JOE TAN & ASSOCIATES PAC
Public Accountants and
Chartered Accountants

Singapore

26 May 2020

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 S$	2019 S$
ASSETS			
Non-current assets			
Investment in subsidiaries	4	65,645,680	65,645,680
Investment in joint venture	5	15,868	15,868
Other investment	6	280,496	280,496
Property, plant and equipment	7	-	-
Total non-current assets		65,942,044	65,942,044
Current assets			
Trade and other receivables	8	14,863,208	14,948,460
Cash and cash equivalents	9	1,407,850	628,352
Total current assets		16,271,058	15,576,812
TOTAL ASSETS		82,213,102	81,518,856
EQUITY AND LIABILITIES			
Equity			
Share capital	10	45,269,610	41,270,076
Retained earnings		10,644,035	2,230,820
Capital reserve		86,327	86,327
Translation reserve		(1,845)	(7,122)
Total equity		55,998,127	43,580,101
Non-current liabilities			
Trade and other payables	11	26,983	2,731,462
Bank borrowings	12	12,915,865	8,428,713
Total non-current liabilities		12,942,848	11,160,175
Current liabilities			
Trade and other payables	11	760,098	21,149,639
Bank borrowings	12	12,501,780	5,618,692
Provision for tax		10,249	10,249
Total current liabilities		13,272,127	26,778,580
TOTAL LIABILITIES		26,214,975	37,938,755
TOTAL EQUITY AND LIABILITIES		82,213,102	81,518,856

The accompanying notes form an integral part of these financial statements

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 S$	2019 S$
Revenue	13	253,910	1,460,797
Cost of services		(123,170)	-
Gross Profit		130,740	1,460,797
Add:			
Other income	14	10,114,512	4,820,055
Less :			
Administrative costs		(1,092,807)	(2,090,933)
Finance costs	15	(739,230)	(877,551)
Profit before income tax	16	8,413,215	3,312,368
Income tax expense	17	-	(10,249)
Profit for the year		8,413,215	3,302,119
Other comprehensive income after tax:-			
Item that will be recognised subsequently to profit/ (loss) - Currency translation differences		5,277	(7,122)
Item that will not be recognised subsequently to profit/ (loss) - Surplus arising from acquisition of net assets of a sole establishment for formation of Company's branch in Dubai		-	(2,253)
Other comprehensive income for the year, net of tax		5,277	(9,375)
Total comprehensive income for the year		8,418,492	3,292,744

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Share Capital S$	Retained Earnings S$	Capital Reserve S$	Translation Reserve S$	Total S$
Balance as at 31 March 2018		34,480,433	(1,071,299)	88,580	-	33,497,714
Issues of shares during the year	10	6,789,643	-	-	-	6,789,643
Other comprehensive income		-	-	(2,253)	(7,122)	(9,375)
Profit for the year, representing		-	3,302,119	-	-	3,302,119
total comprehensive income for the year		-	3,302,119	(2,253)	(7,122)	3,292,744
Balance as at 31 March 2019		41,270,076	2,230,820	86,327	(7,122)	43,580,101
Issues of shares during the year	10	3,999,534	-	-	-	3,999,534
Other comprehensive income		-	-	-	5,277	5,277
Profit for the year, representing		-	8,413,215	-	-	8,413,215
total comprehensive income for the year		-	8,413,215	-	5,277	8,418,492
Balance as at 31 March 2020		45,269,610	10,644,035	86,327	(1,845)	55,998,127

The accompanying notes form an integral part of these financial statements

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 S$	2019 S$
Cash flows from operating activities			
Profit before income tax		8,413,215	3,312,368
Adjustments for :			
Foreign translation reserve		5,277	(7,122)
Unrealised foreign exchange gain		(396,465)	(972,359)
Deposit arising from acquisition of net assets of a sole establishment for formation of Company's branch in Dubai		-	(2,253)
Interest expense		739,230	877,551
Interest income		(348,125)	(355,863)
Operating cash flows before working capital changes		8,413,132	2,852,322
Working capital changes:			
Trade and other receivables		85,252	(2,632,764)
Trade and other payables		(23,094,020)	(1,805,042)
Net cash used in operating activities		(14,595,636)	(1,585,484)
Cash flows from investing activities			
Acquisition of subsidiaries		-	(639,575)
Decrease in other investments		-	-
Interest received		348,125	355,863
Net cash generated from/(used in) investing activities		348,125	(283,712)
Cash flows from financing activities			
Loan Interests paid		(739,230)	(877,551)
Decrease/(Increase) in pledged of bank balances		576,826	(376,743)
Drawndown of bank borrowing	A	16,587,785	-
Repayment of bank borrowings	A	(4,821,080)	(5,508,279)
Proceeds from issuance of shares		3,999,534	6,789,643
Net cash generated from financing activities		15,603,835	27,070
Net increase/(decrease) in cash and cash equivalents		1,356,324	(1,842,126)
Effect of exchange rate changes in cash and cash equivalents		-	(8,399)
Cash and cash equivalents at beginning of the year		51,526	1,902,051
Cash and cash equivalents at end of the year	9	1,407,850	51,526

Note A: Reconciliation of liabilities arising from financing activities
The table below details ahcnges in the Company's liabilities arising from financing activites.

	At beginning of year S$	Financing cash flows S$	Non-cash changes S$	At end of year S$
2020				
Bank borrowings	14,047,405	11,766,705	(396,465)	25,417,645
	14,047,405	11,766,705	(396,465)	25,417,645
2019				
Bank borrowings	20,536,442	(5,508,279)	(980,758)	14,047,405
	20,536,442	(5,508,279)	(980,758)	14,047,405

1. General

The Company is a private company limited by shares and incorporated and domiciled in the Republic of Singapore.

The registered office address of the Company is 8 Temasek Boulevard, #32-01 Suntec Tower Three, Singapore 038988.

The principal activities of the Company are those of investment holding and providing other information service activities and IT support service and trading. The principal activities of the subsidiaries are disclosed in Notes 4 to the financial statements. During the financial year, the Company also operates a branch in Dubai.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements are presented in the Singapore dollar and are prepared in accordance with the provisions of the Singapore Companies Act. Cap. 50 and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (S$), which is the Company's functional currency. All financial information presented in Singapore Dollar, unless otherwise indicated.

2.2 ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2019. Except for the adoption of FRS 116 *Leases* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Company.

<u>FRS 116 *Leases*</u>

FRS 116 supersedes FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases-Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

However, the adoption of FRS116 Leases has no effect at the beginning and end of the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Reference	Description	Effective for annual periods beginning on or after
Amendments to :-	FRS 103 - Business Combinations (Definition of a business)	1 January 2020
FRS 117	Insurance contracts	1 January 2021
FRS 110 & FRS 28	FRS 110 -Consolidated financial statement and FRS 28 - Investment in associates and joint venture (Sale or contribution of assets between an investor and its associate or joint venture)	To be determined
Amendments to :-	References to the Conceptual Framework in FRS Standards	1 January 2020
	FRS 1 and FRS 8 *Definition of Material*	1 January 2020

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 BASIS OF CONSOLIDATION

The company did not consolidate the accounts of its subsidiary due to the exemption under FRS110 Consolidated Financial Statements as follows:

a) it is wholly owned subsidiary of another entity:
b) its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the counter market, including local and regional markets):
c) it did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market: and
d) its ultimate parent produces consolidated financial statements that are available for public use.

2.5 FINANCIAL INSTRUMENTS

a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.5 FINANCIAL INSTRUMENTS – continued

a) Financial assets – continued

Initial recognition and measurement

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, Fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.5 FINANCIAL INSTRUMENTS – continued

b) Financial liabilities – continued

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.6 IMPAIRMENT OF FINANCIAL ASSETS

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 -months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7 CASH AND CASH EQUIVALENTS

Cash and bank balances in the statement of financial position comprise cash on hand, cash at bank and demand deposits which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash at bank and fixed deposits.

2.8 INVESTMENT IN SUBSIDIARY

The investment in subsidiary is carried at cost less any accumulated allowance for impairment. On disposal of investment in subsidiary, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.9 JOINT VENTURE

The Company is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Company and at least one other party. The Company classifies its interests in joint arrangements as either:

- Joint ventures: where the Company has rights to only the net assets of the joint arrangement; or

- Joint operations: where the Company has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Company considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

The Company accounts for its interest in joint venture in the manner described below:-

Joint venture

Joint venture is initially recognised in the statement of financial position at cost, and subsequently accounted for using the equity method less any impairment losses. Any premium paid for a joint venture above the fair value of the Company's share of the identifiable assets, liabilities and contingent liabilities acquired is included in the carrying amount of the investment in joint venture.

Under the equity method, the Company's share of post-acquisition profits and losses and other comprehensive income is recognised in the statement of comprehensive income. Post-acquisition changes in the Company's share of net assets of joint ventures and distributions received are adjusted against the carrying amount of the investments.

Losses of a joint venture in excess of the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment) are not recognised, unless the Company has incurred legal or constructive obligations to make good those losses or made payments on behalf of the associate or joint venture.

Where the Company transacts with a joint venture, unrealised profits are eliminated to the extent of the Company's interest in the joint venture. Unrealised losses are also eliminated, but only to the extent that there is no impairment.

2.10 BORROWING

Interest-bearing bank loans and overdrafts are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs (see above).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.11 BORROWING COSTS

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.12 PLANT AND EQUIPMENT

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Furniture and fittings	3 years
Office equipment	3 years

Fully depreciated assets still in use are retained in the financial statements.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.13 RELATED PARTIES

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Company if that person:
   (i) Has control or joint control over the Company;
   (ii) Has significant influence over the Company; or
   (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.13 RELATED PARTIES – continued

(b) An entity is related to the Company if any of the following conditions apply:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint venture of the same third party.
- (iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii)The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.14 PROVISIONS

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 SHARE CAPITAL

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.16 REVENUE RECOGNITION

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation is satisfied at a point in time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.16 REVENUE RECOGNITION – continued

(a) Rendering of services

Revenue from rendering of services is recognised when services are rendered and upon customers' acceptance.

(b) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

2.17 GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.18 CONTRACT ASSETS, CONTRACT LIABILITIES AND TRADE RECEIVABLES

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Section Financial instruments – initial recognition and subsequent measurement.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.19 TAXES

(a) Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.19 TAXES – continued

(a) Current Income Tax – continued

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilitsed. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Goods and Service Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

(i) Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

2.20 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgments made in applying accounting policies

(i) Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

(ii) De-facto control

De-facto control exists when the size of an entity's own voting rights relative to the size and dispersion of other vote holders, give the entity the practical ability unilaterally to direct the relevant activities of the investee.

The Company holds 49% of voting rights in Monster Malaysia Sdn. Bhd. with the remaining 51% of voting rights being held by an unrelated individual shareholder.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates 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 beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES - continued

(b) Key sources of estimation uncertainty - continued

(i) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade and other receivables is disclosed in Note 19. The carrying amount of the Company's trade receivables as at 31 March 2020 was S$1,009,390 (2019: S$755,480).

(ii) Provision for income taxes

The Company has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Company's income tax payable as at 31 March 2020 was S$10,249 (2019: S$ 10,249).

(iii) Estimated impairment of subsidiaries

When a subsidiary is in net equity deficit and has suffered operating losses, a test is made whether the investment in the investee has suffered any impairment in accordance with the stated accounting policy. This determination requires significant judgement. An estimate is made of the future probability of the investee, including factors such as industry and sector performance, and operational and financial cash flow.

4. INVESTMENT IN SUBSIDIARIES

	2020 S$	2019 S$
Unquoted equity shares, at cost	65,645,680	65,645,680
Less: Allowance for impairment of investment in subsidiaries	-	-
	65,645,680	65,645,680

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation/ Place of business	Percentage of equity held		Cost of investment		Principal activities
		2020 %	2019 %	2020 S$	2019 S$	
Comtel Solutions Pte. Ltd. (1)	Singapore	100	100	53,233,505	53,233,505	Staffing
Comtelpro Pte. Limited (2)	Singapore	100	100	602,000	602,000	Staffing
MFXchange Holdings, Inc. (3)	Canada	51	51	527,853	527,853	Information Technology
Quessglobal Malaysia Sdn. Bhd.(4)	Malaysia	100	100	180,086	180,086	Staffing
Quess Corp Lanka (Private) Limited (5)	Sri Lanka	100	100	785,857	785,857	IT Staffing
Monster.Com. HK Limited (6)	Hong Kong	100	100	353,690	353,690	web-based career services agency
Monster. Com. Sg Pte Limited (7)	Singapore	100	100	7,493,092	7,493,092	web-based career services agency
Monster Malaysia Sdn. Bhd. (8)	Malaysia	51	51	2,469,597	2,469,597	web-based career services agency
				65,645,680	65,645,680	

(1) Audited by Joe Tan & Associates PAC, Chartered Accountants of Singapore. Shares in this subsidiary is pledged to a bank for bank loan. (Note 12)

(2) Audited by Joe Tan & Associates PAC, Chartered Accountants of Singapore.

4. INVESTMENT IN SUBSIDIARIES – continued

(3) Audited by Liggett & Webb P.A. Certified Public Accountants of New York. 49% equity interest in subsidiary is held by a related company.
(4) Audited by Hals & Associates, Chartered Accountant of Malaysia.
(5) Audited by PricewaterhouseCoopers, Sri Lanka.
(6) Audited by H.F. Leung & Co., Certified Public Accountants of Hong Kong.
(7) Audited by Joe Tan & Associates PAC, Chartered Accountants of Singapore.
(8) Audited by Hals & Associates, Chartered Accountant of Malaysia.

The holding company has undertaken the responsibility to provide financial support to all the above subsidiaries in the event that the investments in these subsidiaries are impaired. As a result, no impairment allowance is made for the following subsidiaries whose total equities are lower than that of the company's cost of investments in the subsidiaries and that the management's forecasted recoverable value is higher than carrying value based on the assumption used and market condition.

In line with Singapore Companies Act Cap 50 section 201(1) (2) (11) and FRS 110 the Company is exempt from presenting consolidated accounts. The Company satisfies all the conditions of FRS 110 paragraph 4(a) from presenting consolidated financial statements for the year;

i) it is wholly-owned subsidiary or is a partially-owned subsidiary of another entity and all its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent presenting consolidated financial statements;
ii) its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);
iii) it did not file, nor it is in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market; and
iv) its ultimate or any intermediate parent produces consolidated financial statements that are available for public use.

5. INVESTMENT IN JOINT VENTURE

	2020 S$	2019 S$
Unquoted equity shares, at cost	15,868	15,868
	15,868	15,868

Details of the joint venture are as follows:

Name of joint venture	Country of incorporation/ Place of business	Percentage of equity held		Cost of investment		Principal activities
		2020 %	2019 %	2020 S$	2019 S$	
Himmer Industrial (Malaysia) Sdn. Bhd. (1)	Malaysia	49	49	15,868	15,868	IT Engineering

(1) Audited by Hafiz & Associates, Chartered Accountant of Malaysia

6. OTHER INVESTMENTS

	2020 S$	2019 S$
Investment in sole establishments	280,496	280,496
	280,496	280,496

This relates to an interest in sole establishment incorporated in Dubai which is held in trust by an individual director.

Other investments are stated at cost less accumulated impairment loss, if any.

7. PLANT AND EQUIPMENT

	Furniture and fittings S$	Office equipment S$	Total S$
Cost:			
At 31.03.2019/ 31.03.2020	98,967	27,778	126,745
Accumulated depreciation:			
At 31.03.2019/ 31.03.2020	98,967	27,778	126,745
Net carrying value:			
At 31.03.2019/ 31.03.2020	-	-	-

8. TRADE AND OTHER RECEIVABLES

	2020 S$	2019 S$
Trade receivables		
- Third parties	426,684	-
Contract assets - unbilled revenue	582,706	755,480
	1,009,390	755,480
Loan receivables from subsidiaries	5,317,628	6,175,465
Loan receivables from related companies	5,271,721	4,886,351
Loan receivables from third party	2,820,073	2,718,143
Amount due from related companies	64,551	71,212
Amount due from subsidiary	-	127,044
Amount due from joint venture	1,373	
Interest receivables	7,100	7,100
Deposits	25,175	25,242
Prepayments	184,103	5,134
Other receivables	152,873	177,289
GST receivables	9,221	-
	14,863,208	14,948,460

8. TRADE AND OTHER RECEIVABLES - continued

Trade receivables are non-interest bearing and are generally on 30 to 60 (2019: 30 to 60) days' term.

Trade receivable are recognized at their original invoice amounts which represents their fair values on initial recognition.

Contract assets are unbilled revenue for services rendered but not yet billed to customers.

Related companies comprise of companies which are controlled or significantly influenced by the Company's directors.

Loan receivable from third party is unsecured, bear interest at 5% per annum and is repayable on demand.

Loan receivables from subsidiaries and related companies are unsecured, bear interest at 2.25% (2019: 2.25%) per annum and are repayable on demand.

Amount due from related companies, amount due from joint venture and other receivables are non-trade in nature, unsecured, interest free and has no fixed term of repayment.

There is no receivables that are not past due and not impaired

9. CASH AND CASH EQUIVALENTS

	2020 S$	2019 S$
Cash at banks	1,407,850	628,352
	1,407,850	628,352

Cash at banks of S$ Nil (2019: S$ 576,826) are pledged in connection of bank loan obtained. (Notes 12).

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	2020 S$	2019 S$
Cash at banks	1,407,850	628,352
Less: Pledged bank balances	-	(576,826)
Cash and cash equivalents	1,407,850	51,526

10. SHARE CAPITAL

	2020		2019	
	No. of shares	S$	No. of shares	S$
Issued and fully paid ordinary shares				
At beginning of financial year	41,270,076	41,270,076	34,480,433	34,480,433
Issue of shares during the year	3,999,534	3,999,532	6,789,643	6,789,643
At end of financial year	45,269,610	45,269,608	41,270,076	41,270,076

10. SHARE CAPITAL - continued

On 18 July 2019, the Company issued 999,532 ordinary shares for a total consideration of S$999,534 in cash to provide funds for investment in subsidiaries and loans to subsidiaries and related companies.

On 10 March 2020, the Company issued 3,000,000 ordinary shares for a total consideration of S$3,000,000 in cash to provide funds for investment in subsidiaries and loans to subsidiaries and related companies.

The newly issued ordinary shares ranked pari passu in all respects with the existing ordinary shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

11. TRADE AND OTHER PAYABLES

	2020 S$	2019 S$
Current Liabilities		
Trade payables – Related Company	9,605	99,282
Accruals	12,000	210,436
Bank interest payables	70,610	107,038
GST payable	-	39,223
Loan payable to subsidiary	648,273	-
Loan payable to holding company	-	20,652,847
Other payables	19,610	40,813
	760,098	21,149,639
Non-Current Liabilities		
Contingent Consideration	-	2,699,922
Other payables	26,983	31,540
	26,983	2,731,462
Total	787,081	23,881,101

Trade payables are unsecured, non-interest bearing and are generally settled on 30 (2019:30) days' term.

Other payables are non-trade in nature, unsecured, interest free and have no fixed term of repayment.

Loan payable to subsidiary is unsecured, non-interest bearing and has no fixed term of repayment.

12. BANK BORROWINGS

	2020 S$	2019 S$
Bank borrowings	25,417,645	14,047,405

The present value of bank loans are analysed as follows:

	2020 S$	2019 S$
Current liabilities		
- Repayable within one year	12,501,780	5,618,692
Non-current liabilities		
- Repayable more than one year	12,915,865	8,428,713
	25,417,645	14,047,405

Bank borrowings bear interest at 3 months Singapore swap rate plus 2% per annum and is repayable by 28 May 2022 and 13 August 2021 respectively. The bank borrowings are secured by:

(i) Corporate guarantee from its holding company, Quess Corp Limited and its subsidiary, Comtel Solutions Pte. Ltd.
(ii) Charge over shares of Comtel Solutions Pte. Ltd. (Note 4)
(iii) Charge over the existing accounts and debentures of the Company.

13. REVENUE

	2020 S$	2019 S$
Rendering of services	253,910	1,460,797

14. OTHER INCOME

	2020 S$	2019 S$
Dividend income	9,100,000	-
Unrealised foreign exchange gain	396,465	980,758
Interest income from subsidiaries	128,129	123,880
Interest income from related companies	118,066	102,548
Interest income from third party	101,930	129,435
Forward liabilities written back (non-trade)	269,922	3,483,434
	10,114,512	4,820,055

15. FINANCE COSTS

	2020 S$	2019 S$
Bank loan interest	739,230	877,551
	739,230	877,551

16. PROFIT BEFORE INCOME TAX

	2020 S$	2019 S$
Profit before taxation has been arrived after charging:		
Legal and professional fees	165,563	38,719
Loan interest charged by holding company (Note 18)	233,625	658,511
Foreign exchange loss	-	46,415
Notional interest	-	104,986
Change in fair value of additional consideration	-	1,174,465

There are no staff costs, directors' remuneration or key management personnel remuneration for the financial year ended 31 March 2020 and 31 March 2019.

17. INCOME TAX EXPENSE

The major components of income tax expense recognised in profit for the financial years ended 31 March 2020 and 31 March 2019 were:

	2020 S$	2019 S$
Current income tax	-	10,249

Relationship between tax expense and accounting profit
A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 March 2020 and 31 March 2019 were as follows

	2020 S$	2019 S$
Profit before income tax	8,413,215	3,312,368
Income tax using the statutory tax rate of 17% (2019: 17%)	1,430,247	566,123
Adjustments:		
Non-deductible expenses	-	280,953
Non-taxable income	180,247	(819,409)
Statutory stepped income exemption	(1,619,203)	(13,661)
Utilisation of deferred tax assets not recognised in prior year	-	(1,195)
Corporate tax rebate	-	(2,562)
Deferred tax assets not recognised	8,709	-
	-	10,249

18. SIGNIFICANT RELATED PARTY TRANSACTIONS

Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Company with related parties as follows:

	2020 S$	2019 S$
With holding company		
Loan interest charged by holding company	233,265	652,816
With subsidiaries		
Expenses paid on behalf of a subsidiary	41,879	404,819
Interest income from loans to subsidiaries	58,583	78,768
Professional fee charged to a subsidiary	-	878,091
Loan interest charged by a subsidiary	6,393	-
With related companies		
Expenses paid on behalf of a related company	-	22,869
Interest income from loans to related companies	187,612	147,660
Professional fee charged to a related company	-	582,706

There are no staff costs, directors' remuneration or key management personnel remuneration for the financial year ended 31 March 2020 and 31 March 2019.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables and loan to the immediate holding company. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – continued

a) Credit risk - continued

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- There is a disappearance of an active market for that financial asset because of financial difficulty;

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – continued

a) Credit risk - continued

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk
The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

(b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand- by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – continued

(b) Liquidity risk - Continued

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2020			
	Carrying amount S$	Contractual cash flows S$	One year or less S$	Two to five years S$
Financial assets				
Trade and other receivables [a]	14,669,884	14,669,884	14,669,884	-
Cash and cash equivalents	1,407,850	1,407,850	1,407,850	-
Total undiscounted financial assets	16,077,734	16,077,734	16,077,734	-
Financial liabilities				
Trade and other payables [b]	787,081	787,081	787,081	-
Bank borrowings - secured	25,417,645	25,998,636	12,862,249	13,136,387
Total undiscounted financial liabilities	26,204,726	26,785,717	13,649,330	13,136,387
Total net undiscounted financial (liabilities)/assets	(10,126,992)	(10,707,983)	2,428,404	(13,136,387)

	2019			
	Carrying amount S$	Contractual cash flows S$	One year or less S$	Two to five years S$
Financial assets				
Trade and other receivables [a]	14,943,326	14,943,326	14,943,326	-
Cash and cash equivalents	628,352	628,352	628,352	-
Total undiscounted financial assets	15,571,678	15,571,678	15,571,678	-
Financial liabilities				
Trade and other payables [b]	23,841,878	23,841,878	21,110,416	2,731,462
Bank borrowings - secured	14,047,405	15,084,103	6,240,711	8,843,392
Total undiscounted financial liabilities	37,889,283	38,925,981	27,351,127	11,574,854
Total net undiscounted financial liabilities	(22,317,605)	(23,354,303)	(11,779,449)	(11,574,854)

[a] This amount excludes prepayment and GST receivables.
[b] This amount excludes GST payable.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – continued

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their loan to holding company, cash and cash equivalents and bank borrowings.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

At the reporting date, if the interest rates had been 100 (2019: 100) basis points higher/ lower with all other variables held constant, the Company's loss before tax would have been S$75,973 (2019: S$137,460) higher/ lower, arising mainly as a result of higher/ lower interest income/ expenses on floating rate cash at bank and floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2020 S$	2019 S$
Fixed rate instruments		
Financial assets		
Loan receivables from subsidiaries	5,317,628	6,175,464
Loan receivables from related parties	5,271,721	4,886,351
Loan receivables from third party	2,820,073	2,718,143
	13,409,422	13,779,958

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – continued

(i) Interest rate risk - continued

	2020 S$	2019 S$
Variable rate instruments		
Financial liabilities		
Within one year		
Loan payable to holding company	-	20,652,846
Bank loan	12,501,780	5,618,692
Two to five years		
Bank loan	12,915,865	8,428,713
	25,417,645	34,700,251

Interest on financial instruments subject to floating interest rates is repriced regularly. Interests on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Company that are not included in the above table are not subject to interest rate risk.

(ii) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily United States Dollar (USD), Malaysia ringgit (RM), Sri Lanka rupee (LKR), Arab Emirates Dirhams (AED) and Vietnamese Dong (DONG).

The Company's currency exposures to the USD, RM and LKR at the reporting date were as follows:

	2020			
	USD S$	RM S$	AED S$	DONG S$
Financial assets				
Trade and other receivables	3,616,193	2,267,300	219,730	22,869
Cash and cash equivalents	343,125	-	-	-
	3,959,318	2,267,300	219,730	22,869
Financial liabilities				
Trade and other payables	-	-	46,594	-
	-	-	46,594	-
Foreign currency exposure	3,959,318	2,267,300	173,136	22,869

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - CONTINUED

(ii) Foreign currency risk – Continued

	2019				
	USD S$	RM S$	LKR S$	AED S$	DONG S$
Financial assets					
Trade and other receivables	3,547,841	2,227,818	-	256,008	22,869
Cash and cash equivalents	622,332	-	1,240	-	-
	4,170,173	2,227,818	1,240	256,008	22,869
Financial liabilities					
Trade and other payables	298,218	-	-	72,353	-
Bank borrowings	14,047,405	-	-	-	-
	14,345,623	-	-	72,353	-
Foreign currency exposure	(10,175,450)	2,227,818	1,240	183,655	22,869

A 10% strengthening of Singapore dollar against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit after income tax	
	2020 S$	2019 S$
United States Dollar	328,623	(844,562)
Malaysia Ringgit	188,186	184,909
Sri Lanka Rupee	-	103
Arab Emirates Dirhams	14,370	15,243
Vietnamese Dong	1,898	1,898

A 10% weakening of Singapore Dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

20. FAIR VALUES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair value due to the short-term nature of their balances.

20. FAIR VALUES - continued

Trade receivables and trade payables

The carrying amounts of these receivables and payables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

Bank borrowings

The carrying amounts of bank borrowings approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

21. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2020 S$	2019 S$
Financial assets measured at amortised cost		
Trade and other receivables (Note 8) [(a)]	14,669,884	14,943,326
Cash and cash equivalents (Note 9)	1,407,850	628,352
Total financial assets measured at amortised cost	16,077,734	15,571,678
Financial liabilities measured at amortised cost		
Trade and other payables (Note 11) [(a)]	787,081	23,841,878
Bank borrowings (Note 12)	25,417,645	14,047,405
Total financial liabilities measured at amortised cost	26,204,726	37,889,283

[(a)] This amount excludes the prepayment and GST receivables.
[(b)] This amount excludes the GST payables.

22. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. 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 is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2020 and 31 March 2019.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2019.

23. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 26 May 2020.

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

THE ACCOMPANYING SUPPLEMENTARY STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY

AND DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	2020 S$	2019 S$
Revenue		
Service income	253,910	1,460,797
Less: Cost of services	(123,170)	-
Gross profit	130,740	1,460,797
Add:Other income		
Dividend income	9,100,000	-
Interest income from subsidiaries	128,129	123,880
Interest income from related companies	118,066	102,548
Interest income from third party	101,930	129,435
Liabilities written back	269,922	3,483,434
Unrealised foreign exchange gain	396,465	980,758
	10,114,512	4,820,055
Less:		
Administrative costs		
Bank charges	10,013	11,327
Notional interest	-	104,986
Change in revised consideration	-	1,174,465
Duties and taxes	-	21,969
Foreign exchange loss	-	46,415
Loan interest charged by holding company	233,265	658,512
Loan interest charged by a subsidiary	6,393	-
License and governmental fee	1,226	2,724
Loan processing fees	71,986	20,315
Legal and professional fees	165,563	38,719
Rental	6,813	6,939
Security Expenses	-	833
Sponsorship fees	7,757	3,730
Unrealised forex exchange loss	589,791	-
	1,092,807	2,090,934
Finance costs		
Bank loan interest	739,230	877,551
Total Expenses	1,832,037	2,968,484
Profit before income tax	8,413,215	3,312,368
Tax expense	-	(10,249)
Profit after income tax	8,413,215	3,302,119

Financial Statements

QUESS CORP (USA), INC.

For The Years Ended March 31, 2020 and 2019

QUESS CORP (USA), INC.

Index to Financial Statements

LIGGETT
&WEBB P.A.
CERTIFIED PUBLIC ACCOUNTANTS

307 7th Avenue, Suite 1601
New York, NY 10001 / (212) 481-3490

1901 South Congress Avenue, Suite 110
Boynton Beach, FL 33426 / (561) 752-1721

Independent Auditor's Report

To the Board of Directors and Stockholders'
Of Quess Corp (USA), Inc.

Report on the Financial Statements
We have audited the accompanying balance sheets of Quess Corp (USA), Inc. ("the Company"), a wholly-owned subsidiary of Quess Corp Limited India), as of March 31, 2020 and 2019, and the related statements of operations and comprehensive income, stockholder's deficit and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audits involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Adverse Opinion on March 31, 2019 Financial Statements
As more fully describted in Note 1 to the accompanying financial statements, Investment in Unconsolidated Subsidiary, the Company has not consolidated Brainhunter Systems Limited and its subsidiaries (a wholly owned subsidiary). In our opinion, accounting principles generally accepted in the United States of America require such investment to be consolidated in these financial statements. The investment in Brainhunter Systems Limited was accounted for on a cost basis. Had Brainhunter Systems Limted been consolidated, many elements in the accompanying March 31, 2019 financial statements would have been materially affected. The effects on the March 31, 2019 financial statements of the failure to consolidate have not been determined.

LIGGETT
& WEBB P.A.
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Adverse Opinion on March 31, 2019 Financial Statements
In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the financial statements referred to above do not present fairly, in all material respects, the financial position of Quess Corp (USA), Inc. as of March 31, 2019 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Opinion
In our opinion, the balance sheet of the Company as of March 31, 2020, and the statement of operations and comprehensive income, stockholders' deficit, and cash flows for the year ended March 31, 2020, present fairly, in all material respects, the financial position of the Company as of March 31, 2020, and the results of its operations and its cash flows for the year ended March 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

Going Concern
The accompanying financial statements have been prepared assuming that the Company will continue as a going conern. As discussed in Note 2 to the financial statements, the Company is a holding company with limited operations and is dependent upon shareholder funding to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty

Liggett & Webb P.A.

New York, New York
May 18, 2020

QUESS CORP (USA), INC.
BALANCE SHEETS
AS OF MARCH 31, 2020 AND 2019

ASSETS

	2020	2019
Current assets:		
Cash and cash equivalents	$ 954	$ 52,557
Prepaid expense	2,441	2,441
Total current assets	3,395	54,998
Investment in unconsolidated subsidiaries	3,062,318	2,478,296
Due from affiliates	52,804	49,469
Total assets	$ 3,118,517	$ 2,582,763
LIABILITIES AND STOCKHOLDER'S DEFICIT		
Current liabilities:		
Accrued expenses	5,000	22,501
Due to affiliates	4,324,548	3,196,564
Total current liabilities	4,329,548	3,219,065
Commitments and Contingencies	-	-
Stockholder's deficit:		
Common stock, 200 shares authorized, 1 share issued and outstanding, no par value	100,000	100,000
Accumulated other comprehensive income	133,056	56,220
Additional paid-in capital	584,022	-
Accumulated deficit	(2,028,108)	(792,522)
Total stockholder's deficit	(1,211,030)	(636,302)
Total liabilities and stockholder's deficit	$ 3,118,517	$ 2,582,763

See the accompanying notes to the financial statements.

QUESS CORP (USA), INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	2020	2019
Revenue	$ -	$ -
Operating expenses:		
Salaries	150,201	226,837
General and administrative	12,919	28,037
Professional fees	973,431	176,267
Total operating expenses	1,136,551	431,141
Loss from operations	(1,136,551)	(431,141)
Other (expense) income:		
Interest income	3,335	4,235
Financing expenses	(102,370)	(103,061)
Net other (expense) income	(99,035)	(98,826)
Loss before provision for income taxes	(1,235,586)	(529,967)
Income taxes	-	-
Net loss	$ (1,235,586)	$ (529,967)
Comprehensive Loss:		
Net loss	$ (1,235,586)	$ (529,967)
Foreign currency translation adjustment	76,836	56,220
Total comprehensive loss attributable to stockholder	$ (1,158,750)	$ (473,747)

See the accompanying notes to the unaudited financial statements.

QUESS CORP (USA), INC.
STATEMENT OF STOCKHOLDER'S DEFICIT
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance, as of March 31, 2018	$ 100,000	$ -	$ (262,555)	$ -	$ (162,555)
Foreign curency translation adjustment	-	-	-	56,220	56,220
Net loss for the year ended March 31, 2019	-	-	(529,967)	-	(529,967)
Balance, as of March 31, 2019	$ 100,000	$ -	$ (792,522)	$ 56,220	$ (636,302)
Related party gain on sale of investment in Brainhunter Systems Ltd to MFXchange Holdings, Inc.	-	584,022	-	-	584,022
Foreign curency translation adjustment	-	-	-	76,836	76,836
Net loss for the year ended March 31, 2020	-	-	(1,235,586)	-	(1,235,586)
Balance, as of March 31, 2020	$ 100,000	$ 584,022	$ (2,028,108)	$ 133,056	$ (1,211,030)

See the accompanying notes to the unaudited financial statements.

QUESS CORP (USA), INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (1,235,586)	$ (529,967)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in Assets and Liabilities:		
(Increase) Decrease in:		
Prepaid expense	-	(2,441)
Increase (Decrease) in:		
Accrued expenses	(17,501)	14,001
Accrued interest on due to affiliates	(3,335)	
NET CASH USED IN OPERATING ACTIVITIES	(1,256,422)	(518,407)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in unconsolidated subsidiary	-	(102,368)
Repayment of advances to affiliates, net	-	366,406
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	264,038
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances from affiliates, net	1,127,984	239,698
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,127,984	239,698
NET DECREASE IN CASH AND CASH EQUIVALENTS	(128,439)	(14,671)
EFFECT OF EXCHANGE RATE CHANGES	76,836	56,220
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	52,557	11,008
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 954	$ 52,557
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -
NON-CASH INVESTING TRANSACTION		
Amount due from affiliate used as payment for increase in investment in unconsolidated subsidiary	$ -	$ 2,018,251
Additional paid-in capital recorded from gain on fair value of investment in Brainhunter Systems Ltd upon sale of investment to MFXchange Holdings, Inc. for one share of MFXchange Holdings, Inc. preferred stock	$ 584,022	$ -

See the accompanying notes to the unaudited financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

Business and organization

Quess Corp (USA) Inc., formerly known as Magna InfoTech Inc.,("the Company"), a Delaware corporation and wholly owned subsidiary of Quess Corp Limited (India), was incorporated on November 19, 2013. On March 23, 2015, the Company changed its name to Quess Corp (USA), Inc.

Investments in Unconsolidated Subsidiary

The Company held a fifty-one percent (51%) interest in Brainhunter Systems Limited with a carrying value of $87,828 until March 31, 2019 at which time an additional thirty percent (30%) interest was acquired at a cost of $2,018,251. On April 1, 2019, the Company sold its investment in Brainhunter Systems Ltd to MFXchange Holdings, Inc., a related party, in exchange for one (1) share of Series B preferred stock valued at $2,690,101. A gain of $584,022 was realized on the related party transaction and was credited to additional paid-in capital. As of March 31, 2020 and 2019, the carrying value of this investment was $0 and $2,106,079, respectively.

The Company owns a forty-nine percent (49%) interest in MFX Holdings, Inc. The acquisition price was $49 plus earn out payments based upon forty percent (40%) of the Company's net income during a five year earn out period beginning January 1, 2015. On April 24, 2017, the Company made an earn out payment of $550,613 based on MFXchange Holdings, Inc.'s net income for the twelve months ended December 31, 2016. This payment included 51% of the earn out payment that the company paid on behalf of Quess Corp Pte (Singapore). On April 18, 2018, the Company made an earnout payment of $208,914 based on MFXchange Holdings, Inc.'s net income for the twelve months ended December 31, 2017. This payment included 51% of the earnout payment that the Company paid on behalf of Quess Corp Pte (Singapore). As of March 31, 2020 and 2019, the carrying value of this investment was $372,217 and $372,217, respectively.

Accounting principles generally accepted in the United States requires that, typically majority-owned subsidiaries should be consolidated in the financial statements. The Company had not consolidated Brainhunter Systems Limited and its subsidiaries during the year ended March 31, 2019. The investment in Brainhunter Systems Limited was accounted for on a cost basis. Had Brainhunter Systems Limted been consolidated during the year ended March 31, 2019, many elements in the accompanying financial statements would have been materially affected. The effects on the financial statements of the failure to consolidate have not been determined.

On April 1, 2019, the Company acquired one (1) share of Series B preferred stock in MFXchange Holdings, Inc., valued at $2,690,101, in exchange for the sale of the eighty-one percent (81%) interest the Company held in Brainhunter Systems Ltd. As of March 31, 2020, the carrying value of this investment was $2,690,101.

Use of estimates

The preparation of the accompanying financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events that affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. These estimates and assumptions are based on management's best estimates and judgment. Management regularly evaluates its estimates and assumptions using historical experience and other factors; however, actual results could differ significantly from these estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification 606, Revenue Recognition ("ASC 606"). A five step analysis must be met as outlined in Topic 606 before revenue can be recognized: (1) identify the contract with the customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations, and (5) recognize revenue when (or as) performance obligations are satisfied. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required.

Income Taxes

The Company follows Accounting Standards Codification subtopic 740-10, Income Taxes ("ASC 740-10") for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods.

Reclassifications
Certain reclassifications have been made to conform prior period data to the current presentation.

NOTE 2 –LIQUIDTIY AND GOING CONCERN

Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is a holding company with limited operations and is dependent upon shareholder funding to continue as a going concern. The financial statements do not include any adjustments that might result from the countcome of this uncertainy.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company is primarily a holding company that does not have any significant operating activities. Accordingly, the Company has incurred numerious transactions with related parties.

During the year ended March 31, 2020, the Company charged Brainhunter Systems Ltd interest in the amount of $3,335 on the amounts advanced to Brainhunter.

During the year ended March 31, 2020, Quess Corp Holdings Pte Ltd charged the Company interest in the amount of $46,847 on the amounts advanced to the Company.

During the year ended March 31, 2020, Quess Corp Ltd India charged the Company interest in the amount of $55,523 on the amounts advanced to the Company.

Professional Services Agreement
The Company entered into a Professional Services Agreement with MFXchange US, Inc. ("MFX") for services to be provided as per the terms of the agreement. During the year ended March 31, 2020 the Company was provided management services for a monthly fee of $37,500. A total outstanding balance of $450,000 is included in the related party payable of $755,271 to MFX as of March 31, 2020.

The Company entered into a Professional Services Agreement with Brainhuner Systems Ltd. ("BHS") for services to be provided as per the terms of the agreement. During the year ended March 31, 2020 the Company was provided management services for a monthly fee of $20,850. A total outstanding balance of $250,200 is included in the related party payable of $503,829 to BHS as of March 31, 2020.

As of March 31, 2020, the balances due from/to affiliates were as follows:

	2020	2019
Due from affiliates:		
Brainhunter Systems Limited, Canada	$ 52,804	$ 49,469
Total	$ 52,804	$ 49,469
Due to affiliates:		
Quess Corp Holdings Pte Ltd.	$ 2,235,165	$ 2,188,318
Quess Corp Ltd. India	830,283	851,596
Brainhunter Systems Limited, Canada	503,829	68,782
MFXchange US, Inc.	755,271	87,868
Total	$ 4,324,548	$ 3,196,564

NOTE 4 – STOCKHOLDER'S EQUITY

The Company has 200 shares of common stock authorized to be issued at no par value. As of March 31, 2020 and 2019, the Company has one share of common stock issued and outstanding.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

COVID-19

On March 11, 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus (COVID-19) outbreak, which has led to a global health emergency. The extent of the public-health impact of the outbreak is currently unknown and rapidly evolving, and the related health crisis could adversely affect the global economy, resulting in an economic downturn. At this time, there is significant uncertainty relating to the potential effect of the novel coronavirus on the Company's business.

NOTE 6 – SUBSEQUENT EVENTS

The Company has evaluated events and transactions for potential recognition or disclosure through May 18, 2020, which is the date the financial statements were available to be issued. No subsequent events were noted.

QUESS CORP VIETNAM LLC

AUDITED FINANCIAL STATEMENT

for the fiscal year from April 01, 2019 to March 31, 2020

Audited by:

SAI GON CONSULTING TAX AUDITING COMPANY LIMITED

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REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of QUESS CORP VIETNAM LLC (hereinafter called "the Company") presents its report and the Company's financial statements for the fiscal year was begin April 01, 2019 and ended on March 31, 2020 ("the fiscal year ended on March 31, 2020").

CHAIRMAN OF COMPANY, DIRECTOR AND LEGAL REPRESENTATIVE

Chairman of Company and Director of the Company who managed the company during the fiscal year ended on March 31st, 2020 and up to the date of the owner's capital investments report, are as follows:

Mr. Subrata Kumar Nag	Chairman of Company and Legal representative, Nationality: Indian
Mr. Vijay Sivaram	Director and Legal representative, Nationality: Indian

AUDITOR

Saigon Consulting Tax Auditing Company Limited has been appointed to perform the audit of the Company's financial statements for the fiscal year ended on March 31, 2020.

STATEMENT OF THE BOARD OF DIRECTORS'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Board of Directors is responsible for the financial statements of each financial year which give a true and fair view of the state of affairs of the Company and of its results and cash flows for the fiscal year end on March 31, 2020. In preparing those financial statements, Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the basis of compliance with accounting standards and system and other related regulations;
- Prepare the financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

Board of Directors is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company, and to ensure that the accounting records comply with Vietnamese Accounting Standard, the Vietnamese Accounting System for enterprises, and relevant statutory requirements applicable to financial reports. It is responsible for safeguarding the assets the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE BOARD OF DIRECTORS

APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors, confirm that the financial statements prepared by us, give a true and fair view of the financial position as at March 31, 2020, its operation results and cash flows in the fiscal year from April 01, 2019 to March 31, 2020 in accordance with the Vietnamese Accounting System and comply with relevant statutory requirements for preparation and presentation of financial statements.

For and on behalf of Company,

VIJAY SIVARAM

Director

Ho Chi Minh City, May 14, 2020

SGA
Audit - Tax - Consulting

Saigon Consulting Tax Auditing Company Limited
Office: 2nd floor, 5-7 Hoang Viet street
Tan Binh district, Ho Chi Minh city
www.saigonauditing.com
Tel : 84 - 6293 5468 Fax: 84 - 6293 5455

Ref: 20262/BCKT-SGA

INDEPENDENT AUDITORS' REPORT

Financial statement of QUESS CORP VIETNAM LLC

for the year ended March 31, 2020

To: CHAIRMAN
DIRECTOR
QUESS CORP VIETNAM LLC

We have audited the financial statements of QUESS CORP VIETNAM LLC (hereinafter called "the Company") including balance sheet as of March 31, 2020, income statement and statement of cash flows, together with the notes to the financial statements for the year ended at the same day, prepared on May 14, 2020 as set out on pages from 5 to 20.

Director's Responsibility for the Financial Statements

Director is responsible for the preparation of these financial statements in accordance with Vietnam Accounting Standard and Vietnam Accounting Regime, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; select and apply suitable accounting policies; and make accounting estimate reasonably for each case.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnam Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, in all material aspects, the enclosed financial statements give a true and fair view of the financial position of QUESS CORP VIETNAM LLC as at March 31, 2020, together with its operation results and cash flows for the year ended at the same date in accordance with Vietnamese accounting standards and system and comply with relevant statutory requirements.

M.S.D.N:0310230853-C.T.T.N.H.H
CÔNG TY
TNHH
KIỂM TOÁN THUẾ
TƯ VẤN
SÀI GÒN
Q.TÂN BÌNH-T.P HỒ CHÍ MINH

BUI TRUNG HIEU	**HOANG THI TRUC HUONG**
Director	**Auditor**
Practicing auditor registration certificate	Practicing auditor registration certificate
No.1341-2018-207-1	No.1809-2018-207-1

For and on behalf of

SAI GON CONSULTING TAX AUDITING COMPANY LIMITED

Ho Chi Minh City, May 26, 2020

BALANCE SHEET

As at March 31, 2020

Form B01-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Items	Code	Note	Mar 31, 2020 VND	Apr 01, 2019 VND
ASSETS				
A. CURRENT ASSETS (100 = 110 + 120 + 130 + 140 + 150)	**100**		**10,316,594,994**	**11,999,795,253**
I. Cash and cash equivalents	**110**		**7,380,201,097**	**5,782,970,230**
1. Cash	111	IV.1	7,380,201,097	5,782,970,230
II. Short-term investments	**120**		-	-
III. Accounts receivable	**130**		**2,892,393,897**	**6,117,966,983**
1. Trade receivables	131	IV.2	2,573,371,683	5,928,532,188
2. Advances to suppliers	132	IV.3	59,814,954	48,194,238
3. Other receivables	136	IV.4	259,207,260	141,240,557
IV. Inventories	**140**		-	-
V. Other current assets	**150**		**44,000,000**	**98,858,040**
1. Prepaid expenses	151	IV.5a	44,000,000	98,858,040
B. NON-CURRENT ASSETS (200 = 210 + 220 + 230 + 240 + 250 + 260)	**200**		**123,244,504**	**198,444,445**
I. Long – term receivables	**210**		-	-
II. Fixed assets	**220**		-	-
III. Investment properties	**230**		-	-
IV. Long-term asset in progress	**240**		-	-
V. Long-term investments	**250**		-	-
VI. Other long-term assets	**260**		**123,244,504**	**198,444,445**
1. Long-term prepaid expenses	261	IV.5b	123,244,504	198,444,445
TOTAL ASSETS (270 = 100 + 200)	**270**		**10,439,839,498**	**12,198,239,698**

BALANCE SHEET

As at March 31, 2020

Form B01-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Items	Code	Note	Mar 31, 2020 VND	Apr 01, 2019 VND
RESOURCES				
C . LIABILITIES (300 = 310 + 330)	**300**		**5,651,574,312**	**7,509,864,940**
I. Current liabilities	**310**		**5,651,574,312**	**7,509,864,940**
1. Accounts payable to suppliers	311	IV.7	185,857,291	1,203,005,761
2. Advances from customers	312		68,742,900	-
3. Taxes payables and statutory obligations	313	IV.8	412,534,008	1,314,767,133
4. Accrued expenses	315	IV.9	35,700,000	51,173,485
5. Other payables	319	IV.10	1,103,359,142	1,005,127,476
6. Loans and finance lease liabilities	320	IV.6	3,845,380,971	3,935,791,085
II. Long-term liabilities	**330**		**-**	**-**
D . OWNER'S EQUITY (400 = 410 + 430)	**400**		**4,788,265,186**	**4,688,374,758**
I. Equity	**410**	**IV.11**	**4,788,265,186**	**4,688,374,758**
1. Contributed capital	411		4,333,783,580	4,333,783,580
2. Retained profits	421		454,481,606	354,591,178
- Retained profits brought forward	421a		354,591,178	-
- Retained profits for the current year	421b		99,890,428	354,591,178
II. Others capital and funds	**430**		**-**	**-**
TOTAL RESOURCES (440 = 300 + 400)	**440**		**10,439,839,498**	**12,198,239,698**

Prepared by

VIJAY SIVARAM
Director
Ho Chi Minh City, May 14, 2020

INCOME STATEMENT

for the fiscal year ended March 31, 2020

Form B02-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Items	Code	Notes	Current year VND	Previous year VND
1. Revenues from sales of goods and rendering of services	01	V.1	13,370,670,949	19,999,850,071
2. Revenue deductions	02		-	-
3. Net revenue from sales of goods and rendering of services (10=01-02)	10		13,370,670,949	19,999,850,071
4. Cost of sales	11	V.2	10,189,699,418	16,588,736,404
5. Gross profit form sales of goods and rendering of services (20=10-11)	**20**		**3,180,971,531**	**3,411,113,667**
6. Income from financial activities	21	V.3	190,057,541	42,461,299
7. Expenses from financial activities	22	V.4	193,793,005	503,569,139
In which: interest expenses	*23*		*170,804,279*	*66,746,979*
8. Selling expenses	25		-	-
9. General & administration expenses	26	V.5	3,245,080,394	2,421,195,346
10. Net operating profit/(loss) (30=20+(21-22)-(25+26))	**30**		**(67,844,327)**	**528,810,481**
11. Other income	31		250,000,000	-
12. Other expenses	32		421,097	-
13. Other profit (40=31 - 32)	40		249,578,903	-
14. Accounting profit before tax (50=30+40)	**50**		**181,734,576**	**528,810,481**
15. Current corporate income tax expenses	51	V.7	81,844,148	174,219,303
16. Deferred corporate income tax (income) expenses	52		-	-
17. Net profit/(loss) after tax (60=50-51-52)	**60**		**99,890,428**	**354,591,178**

Prepared by	VIJAY SIVARAM Director *Ho Chi Minh City, May 14, 2020*

CASH FLOWS STATEMENT

(Indirect method)

for the fiscal year ended March 31, 2020

Form B03-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

Items	Code	Notes	Current year VND	Previous year VND
I. Cash Flows from Operating Activities				
1. Profit before tax	***01***		***181,734,576***	***528,810,481***
2. Adjustments				
- Unrealized foreign exchange gains, losses	04		(187,706,221)	394,360,861
- Interest expenses	06		170,804,279	66,746,979
3. Operating profit before changes in working capital	***08***		***164,832,634***	***989,918,321***
- Increase, decrease in trade receivable	09		3,225,573,086	(6,117,966,983)
- Increase, decrease in payables (not including other interest, incomes tax)	11		(1,843,299,085)	3,343,999,385
- Increase, decrease in prepaid expenses	12		130,057,981	(297,302,485)
- Income tax paid	15		(174,219,303)	-
Net cash flow from operating activities	***20***		***1,502,945,313***	***(2,081,351,762)***
II. Cash Flows from Investing Activities				
III. Cash Flows from Financing Activities				
1. Proceeds from equity issue and owner's equity	31		-	4,333,783,580
2. Proceeds from short-term and long-term borrowings	33		-	7,104,501,880
3. Payment to settle debts (principal)	34		-	(3,576,247,374)
Net cash flows from financing activities	***40***		***-***	***7,862,038,086***
Net cash flows in the period (50=20+30+40)	**50**		**1,502,945,313**	**5,780,686,324**
Cash and cash equivalent at beginning of year	**60**		**5,782,970,230**	**-**
Impacts of exchange rate fluctuations	61		94,285,554	2,283,906
Cash and cash equivalent at the end of year (70=50+60+61)	**70**		**7,380,201,097**	**5,782,970,230**

Prepared by

VIJAY SIVARAM

Director

Ho Chi Minh City, May 14, 2020

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2020

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

I. Reporting entity

1. Structure of ownership

Quess Corp Vietnam LLC is a one member limited liability company owned by Quess Corp Limited which located in India and operates in accordance with the Law on Enterprise of Vietnam.

The company operates under the Investment Registration Certificate No. 8762150491 issued by the People's Commitee of Ho Chi Minh city for the first time on March 1st, 2018; and Business Registration Certificate No. 0314944513 issued by the Department of Planning and Investment of Ho Chi Minh city for the first time on March 26th, 2018, the second amendment on May 2nd, 2019.

The Company is located at 7th - 8th Floor, Me Linh Point Tower, No.2 Ngo Duc Ke Street, Ben Nghe Ward, District 1, HCMC, Vietnam.

Charter capital is VND 4,300,000,000 equivalent to USD 188,762.00.

2. Business areas

Services.

3. Principal activities

- Computers and computer system administration consulting;
- Data processing, leasing and related activities;
- Activities of centers, agents for employment consultancy, introduction and brokerage;
- Supply and management of labor resources.

4. Normal operating cycle

Normal operating cycle of the Company is generally within 12 months.

II. Basis of preparation

1. Statement of compliance

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

2. Basis of measurement

The financial statements are prepared on the accrual basis using the historical cost concept, and going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2020

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

3. Annual accounting period

The annual accounting period of the Company is from January 1 to December 31.

4. Accounting and presentation currency

The Company maintains its accounting records in Vietnam dong (VND), and monetary unit was presented on the financial statements in Vietnam dong (VND).

III. Summary of significant accounting policies

1. Foreign currency transactions

Exchange rate in transaction of contributed capital: the foreign currency buying rate at the reporting date quoted by the commercial bank, which receive money from investors;

Exchange rate in transaction of recognition and revaluation receivables: the foreign currency buying rate at the reporting date quoted by the commercial bank;

Exchange rate in transaction of recognition and revaluation payables: the foreign currency selling rate at the reporting date quoted by the commercial bank;

2. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposit, cash in transit and short-term investment (original term was less than 3 months) that are readily to convertible to knows amounts of cash and which are subject to an insignificant risk of changes in value.

3. Receivables

The receivables is presented in estimated collectable value. The value is estimated in subtraction of book value of receivable to provision for bad debts which are estimated for overdue debts, the debts with inability payment.

4. Prepaid expenses

Prepaid expenses include short term's and long term's which are presented at net book value. These expenditures have been capitalized and are located to the income statement of the fiscal year, by using the straight-line method.
The expenditures, are expected to provide future economic benefits to the Company for more than one year, are recognized as long term prepaid.

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

5. Payable expenses and accrued expenses

Payable expenses and accrued expenses are record for amount will paid in the future related goods and services, it not depend on whether the Company receive tax invoice from suppliers.

Expenses not yet occurred may be charged in advance into production and operating costs in order to ensure when these expenses arise, they do not make material influence on production and operating costs on the basis of suitability between revenue and cost. When these expenses arise, if there is any difference with the amount charged, accountants additionally record or make decrease to cost equivalent to the difference.

6. Revenue

Revenue of a transaction involving the rendering of services is recognized when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognized in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

(a) the amount of revenue can be measured reliably;

(b) it is probable that the economic benefits associated with the transaction will flow to the Company;

(c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and

(d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

7. Expenses

Production, operating and other expenses are recorded in Income statement when they decreased future economic benefits related to decreasing assets or increasing payable and value of the expenses should be determined reliable.

The expenses are recorded in matching of income and expenses.

8. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

The Company's corporate income tax expense is calculated using tax rate that have been affected at the date of preparing the balance sheet.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2020

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

9. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Detail of related parties of the Company as

Related parties	Relationship
Quess Corp Ltd	Parent Company
Quess (Philipines) Corp	Fellow company
Quess (Singapore) Corp	Fellow company

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2020

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

IV. Additional information to items in Balance Sheet

Unit: Vietnam dong

1. Cash and cash equivalents

		Mar 31, 2020	Apr 01, 2019
Cash in bank		7,380,201,097	5,782,970,230
- Cash in bank VND		*2,350,890,097*	*2,787,706,420*
- Cash in bank USD		*3,774,597,322*	*575,723,610*
	#	*$ 160,484.58*	*$ 24,923.10*
	and	*1,254,713,678*	*2,419,540,200*
	#	*$ 53,346.67*	*$ 104,742.00*
		7,380,201,097	**5,782,970,230**

2. Short term accounts receivable from customers

	Mar 31, 2020	Apr 01, 2019
VPBank Finance Company Limited	1,427,542,319	3,486,590,150
Oravel Stays Singapore Pte., Ltd	-	274,686,236
Zebra Technologies Asia Pacific Pte. Ltd	172,770,484	2,161,038,303
Zuzu Hospitality Solutions Limited Company	819,139,798	-
Decathlon Viet Nam Co.,Ltd	153,919,082	6,217,500
	2,573,371,683	**5,928,532,188**

3. Short term advance to suppliers

	Mar 31, 2020	Apr 01, 2019
Vietnam International Law firm	46,146,900	46,146,900
Other suppliers	13,668,054	2,047,338
	59,814,954	**48,194,238**

4. Other short-term receivables

	Mar 31, 2020	Apr 01, 2019
Mortgage, collateral	139,134,900	139,134,900
Lending	117,966,703	-
Other receivables	2,105,657	2,105,657
	259,207,260	**141,240,557**

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2020

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

5. **Prepaid expenses**	Mar 31, 2020	Apr 01, 2019
a. ***Short-term prepaid expenses***		
Insurance expenses	-	39,394,867
Prepaid office rental expenses	44,000,000	36,462,580
Prepaid tools and supplies expenses	-	23,000,593
	44,000,000	**98,858,040**
b. ***Long-term prepaid expenses***		
Office survey costs	123,244,504	198,444,445
	123,244,504	**198,444,445**

6. **Loans and finance lease liabilities - short term**

	Mar 31, 2020		Apr 01, 2019	
	Carrying amount	Repayable amount	Carrying amount	Repayable amount
Short term loans with related parties				
- Quess Corp Ltd (**)	2,274,359,640	2,274,359,640	2,439,118,500	2,439,118,500
#	*INR 7,014,000.00*	*INR 7,014,000.00*	*INR 7,014,000.00*	*INR 7,014,000.00*
- Quess (Philippines) Corp (***)	1,571,021,331	1,571,021,331	1,496,672,585	1,496,672,585
#	*PHP 3,232,554.18*	*PHP 3,232,554.18*	*PHP 3,232,554.18*	*PHP 3,232,554.18*
	3,845,380,971	**3,845,380,971**	**3,935,791,085**	**3,935,791,085**

Detail of short term loans

(**) This is short-term loan of Quess Corp Ltd with loan contract signed on April 1, 2018;
- Amount : 7,014,000.00 INR;
- Loan term : 01 year from December 27, 2018 to December 26, 2019;
- Interest rate : 7.51%/year, payment quarterly;
- Loan purpose : payment for operating expenses;
- Collateral : None

(***) This is short-term loan of Quess (Philippines) Corp with loan contract signed on September 14, 2018;
- Amount : 3,232,554.18 PHP;
- Loan term : 01 year from September 24, 2018 to September 23, 2019;
- Interest rate : 0%/year;
- Loan purpose : payment for operating expenses;
- Collateral : None

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2020

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

7. **Short term accounts payable to other suppliers**	Mar 31, 2020		Apr 01, 2019	
	Carrying amount	Repayable amount	Carrying amount	Repayable amount
Manpower Co.,Ltd	-	-	1,144,618,309	1,144,618,309
Talent Trader Vietnam Co.,Ltd	3,319,875	3,319,875	10,810,875	10,810,875
Khai Anh Co.,Ltd	17,638,320	17,638,320	-	-
Thai Anh International Co.,Ltd - HCMC Branch	78,143,042	78,143,042	-	-
Other suppliers	86,756,054	86,756,054	47,576,577	47,576,577
	185,857,291	**185,857,291**	**1,203,005,761**	**1,203,005,761**

8. **Taxes payables and statutory obligations**	Apr 01, 2019	Incurred	Paid	Mar 31, 2020
- Value added tax	821,382,021	1,337,067,098	(1,940,954,460)	217,494,659
- Corporate income tax	174,219,303	81,844,148	(174,219,303)	81,844,148
- Personal income tax	319,165,809	1,140,205,221	(1,346,175,829)	113,195,201
- Other taxes	-	2,000,000	(2,000,000)	-
Taxes payables and statutory obligations	**1,314,767,133**	**2,561,116,467**	**(3,463,349,592)**	**412,534,008**
Tax and receivables from state budget	-			-

9. **Short term accrued expenses**	Mar 31, 2020	Apr 01, 2019
Audit fee	15,000,000	15,000,000
Professional service fee	20,700,000	35,000,000
Others	-	1,173,485
	35,700,000	**51,173,485**

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2020

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

10. Short term other payables

	Mar 31, 2020	Apr 01, 2019
Union fee	16,228,231	66,326,880
Social insurance, Health insurance, unemployment insuarance	111,488,458	139,481,191
Employee payables (Ms.Nguyen Thi Thanh Trang)	14,001,084	-
Others	49,929,399	55,401,158
Loan interest - Quess Corp Ltd - Related party	233,042,597	66,746,979
	# INR 718,690.55	*INR 66,746,979.00*
Paid on behalf - Quess (Philippines) Corp - Related party	291,634,419	277,832,790
	# PHP 600,070.82	*PHP 600,070.82*
Paid on behalf - Quess (Singapore) Corp - Related party	387,034,955	399,338,478
	# SGD 22,868.51	*SGD 22,868.51*
	1,103,359,142	**1,005,127,476**

11. Owner's equity

a. Changes in owners' equity

	Items of owner's equity		
	Contributed charter capital	Retained earning	Total
Opening balance of previous year	-	-	-
Contribute capital in previous year	4,333,783,580	-	4,333,783,580
Net loss for previous year	-	354,591,178	354,591,178
Opening balance of the year	**4,333,783,580**	**354,591,178**	**4,688,374,758**
Net loss for the year	-	99,890,428	99,890,428
Closing balance	**4,333,783,580**	**454,481,606**	**4,788,265,186**

b. Details of owner's equity

Investor/share holders	**Registered Charter capital**		**Contributed Charter capital**	
	Amount (USD)	**# Amount (VND)**	**Amount (USD)**	**# Amount (VND)**
Quess Corp Ltd	188,762.00	4,300,000,000	188,762.00	4,333,783,580
	188,762.00	**4,300,000,000**	**188,762.00**	**4,333,783,580**

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2020

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

V. Additional information to items in income statement

1. Revenue from sale of goods and rendering of service

	Current year	Previous year
Gross revenue		
Revenue from rendering of service	13,370,670,949	19,999,850,071
	13,370,670,949	**19,999,850,071**

2. Cost of sales

	Current year	Previous year
Cost of goods sold from render of services	10,189,699,418	16,588,736,404
	10,189,699,418	**16,588,736,404**

3. Financial income

	Current year	Previous year
Gain of difference from exchange rate	2,351,320	42,461,299
Gain of difference from revaluation exchange rate	187,706,221	-
	190,057,541	**42,461,299**

4. Financial expenses

	Current year	Previous year
Loan interest	170,804,279	66,746,979
Loss of difference from exchange rate	22,988,726	98,715
Loss of difference from revaluation exchange rate	-	436,723,445
	193,793,005	**503,569,139**

5. General & administration expenses

	Current year	Previous year
Expense of employees	1,739,558,052	1,009,096,207
Office equipment expenses	107,356,999	25,859,349
Outsourced services expenses	819,566,560	739,852,389
Other expenses	578,598,783	646,387,401
	3,245,080,394	**2,421,195,346**

6. Operating cost by nature

	Current year	Previous year
Labor cost	11,929,257,470	17,597,832,611
Tools and instruments expenses	107,356,999	25,859,349
Outsourced services expenses	819,566,560	739,852,389
Other expenses	578,598,783	646,387,401
	13,434,779,812	**19,009,931,750**

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2020

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

7. **Current corporate income tax ("CIT") expenses**	Current year	Previous year
Acounting profit before tax	**181,734,576**	**528,810,481**
Adjustment to increasing accounting profit	374,055,625	342,286,034
Non deductibile expenses	*338,355,625*	*290,002,128*
Accrued expenses at the end of this year	*35,700,000*	*50,000,000*
Unrealized foreign exchange loss	-	*2,283,906*
Adjustment to decreasing accounting profit	146,569,460	-
Accrued expenses of the end of last year	*50,000,000*	-
Unrealized foreign exchange loss of cash	*94,285,554*	-
Revert of unrealized foreign exchange lost of previuos year	*2,283,906*	-
Profit before tax loss carried forward	**409,220,741**	**871,096,515**
Tax loss carried forward	-	-
Estimated current taxable profit	**409,220,741**	**871,096,515**
Tax rate	20%	20%
Estimated current CIT expenses	**81,844,148**	**174,219,303**

The determination of the tax currently payable and deferred tax is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2020

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

VI. Other information

1. Subsequent events since the balance sheet date

There has been no significant financial event occurring after the balance sheet date, which would require adjustments or disclosures to be made in the financial statements.

2. Significant transactions related parties

Significant transactions with related parties in the year were as follows:

Related parties	Transaction		Current year	Previous year
Quess Corp Ltd	Contributed capital		-	4,333,783,580
		#		*$ 188,762.00*
	Short term loan		-	2,312,537,400
		#		*INR 7,014,000.00*
	Loan interest		170,804,279	66,746,979
		#	*INR 526,751.00*	*INR 191,939.55*
Quess (Philipines) Corp	Short term loan		-	4,791,964,480
		#		*PHP 11,186,583.18*
	Paid on behalf (payables)		-	267,081,902
		#		*PHP 600,070.82*
Quess (Singapore) Corp	Paid on behalf (payables)		-	383,389,222
		#		*SGD 22,869.00*

At fiscal year end, accounts receivable and payable with related parties were as follows:

Related parties	Transaction		Balance 31/03/2020	Balance 01/04/2019
Quess Corp Ltd	Short term loan payable		2,274,359,640	2,439,118,500
		#	*INR 7,014,000.00*	*INR 7,014,000.00*
	Loan interest payable		233,042,597	66,746,979
		#	*INR 718,690.55*	*INR 191,939.55*
Quess (Philipines) Corp	Short term loan payable		1,571,021,331	1,496,672,585
		#	*PHP 3,232,554.18*	*PHP 3,232,554.18*
	Paid on behalf (payable)		291,634,419	277,832,790
		#	*PHP 600,070.82*	*PHP 600,070.82*
Quess (Singapore) Corp	Paid on behalf (payable)		387,034,955	399,338,478
		#	*SGD 22,868.51*	*SGD 22,869.00*

NOTES TO THE FINANCIAL STATEMENTS

for the fiscal year ended March 31, 2020

Form B09-DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

3. Going concern information

Director confirm that the Company have no intend to dissolve or narrow the scope of business within next 12 months from the closing date. Therefore, the financial statement were prepared and present on going concern.

Prepared by	**VIJAY SIVARAM** Director *Ho Chi Minh City, May 14, 2020*

Quess Services Limited

Auditors Report and Audited Financial Statements

For the Period from 25 June 2019 to 31 March 2020

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BDBL Bhaban (Level-13)
12 Kawran Bazar Commercial Area
Dhaka-1215, Bangladesh.

Telephone: (+88-02) 410 20030 to 35
Facsimile: (+88-02) 410 20036
E-mail: <acnabin@bangla.net>
Web: www.acnabin.com

Independent Auditor's Report
To
The Management of Quess Services Limited

Opinion

We have audited the accompanying financial statements of the Quess Services Limited, which comprise the statement of financial position as at 31 March 2020, and the statement of profit and loss & other comprehensive income, statement of changes in equity and statement of cash flows for the period from 25 June 2019 to 31 March 2020, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements presents fairly, in all material respects, the financial position of the company as at 31 March 2020 and of its financial performance and cash flows for the period from 25 June 2019 to 31 March 2020 in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

We conducted our audit on accordance with International Standards on Auditing (IASs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our repot. We are independent of the company in accordance with the applicable ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for opinion.

Emphasise of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 3 of the financial statement which describe the basis for accounting. This report is made solely to the management of Quess Services Limited and for no other purpose. We do not assume responsibility to any other person for the content of this report. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that 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 relating 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.

Those charge with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Acnabin

Dhaka,	**ACNABIN**
12 May 2020	**Chartered Accountants**

ACNABIN
Chartered Accountants

Quess Services Limited
Statement of financial position
As at 31 March, 2020

	Notes	30-Jun-19 Taka
Non current assets		-
		-
Current Assets		
Cash & cash equivalent	4	3,142,523
Trade and other receivables	5	1,596,462
Advance, deposit & prepayment	6	1,548,357
		6,287,343
TOTAL ASSETS		**6,287,343**
Equity		
Share capital	7	4,200,000
Retained earnings		(2,774,800)
		1,425,200
Non-Current liabilities		-
		-
Current liabilities		
Trade and other payables	8	4,091,042
Provision for expenses	9	374,000
Other current liabilities	10	397,101
		4,862,143
TOTAL EQUITY & LIABILITIES		**6,287,343**

These financial statements should be read in conjunction with the annexed notes.

Chairman **Managing Director**

Acnabin
ACNABIN
Chartered Accountants

Dhaka
12 May 2020

bakertilly
NETWORK MEMBER

ACNABIN
Chartered Accountants

Quess Services Limited
Statement of profit or loss and other comprehensive income
for the period from 25 June 2019 to 31 March 2020

	Notes	2019-2020 Taka
Revenue	11	1,481,897
Operating expenses	12	(1,276,259)
Gross profit		**205,638**
Administrative expenses	13	(2,971,546)
Profit before tax		**(2,765,908)**
Income tax expenses		(8,891)
Profit/(loss) for the year		**(2,774,800)**
Other comprehensive income		-
Total comprehensive income for the year		**(2,774,800)**

These financial statements should be read in conjunction with the annexed notes.

Chairman

Managing Director

Acnabin

Dhaka
12 May 2020

ACNABIN
Chartered Accountants

bakertilly
NETWORK MEMBER

Quess Services Limited
Statement of changes in equity
for the period from 25 June 2019 to 31 March 2020

Particulars	Share capital	Retained earnings	Total
Opening balance	-	-	-
Share capital	4,200,000	-	4,200,000
Profit/(loss) for the period	-	(2,774,800)	(2,774,800)
Balance as at 31 March 2020	**4,200,000**	**(2,774,800)**	**1,425,200**

These financial statements should be read in conjunction with the annexed notes.

Quess Services Limited
Statement of cash flows
for the period from 25 June 2019 to 31 March 2020

	2019-2020 Taka
A. Cash flows from operating activities	
Net profit/(loss) for the year	(2,774,800)
Add: Depreciation	-
Adjusted profit/(loss)	(2,774,800)
Changes in working capital:	
(Increase)/decrease in trade and other receivables	(1,596,462)
(Increase)/decrease in advance deposit & prepayment	(1,548,357)
Increase/(decrease) in tread and other payable	4,091,042
Increase/(decrease) in provision for expenses	374,000
Increase/(decrease) in other current liabilities	397,101
Net cash used in operating activities	**(1,057,477)**
B. Cash flows from investing activities	
Acquisition of property, plant and equipment	-
Net cash used in investing activities	**-**
C. Cash flows from financing activities	
Proceeds from share capital	4,200,000
Net cash from financing activities	**4,200,000**
D. Net change in cash and cash equivalents (A+B+C)	**3,142,523**
E. Opening cash and cash equivalents	**-**
F. Cash and cash equivalents as at 31 March 2020 (D+E)	**3,142,523**

These financial statements should be read in conjunction with the annexed notes.

Quess Services Limited
Notes to the Financial statements
As at and for the period from 25 June 2019 to 31 March 2020

1.0 Reporting entity

Quess Services Limited (the 'Company') was formed and incorporated with the Registrar of Joint Stock Companies and Firms, Bangladesh on 25 June 2019 under the Companies Act 1994 as a private limited company limited by shares vide Registration no: C-152770/2019. The address of the registered office of the company is Ambon Complex (6th Floor), 99, Mohakhali C/A, Dhaka, PO : 1212, Bangladesh.

2.0 Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).
Details of the company's accounting policies, including changes during the period, if any, are included in Notes-03.

2.1 Authorization for issue

These financial statements were authorized for issue by the Board of Directors of the company on 07 May 2020.

2.2 Other regulatory compliances

The Company is required to comply with following major laws and regulations along with the Companies Act 1994:

The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax Act, 2012
The Value Added Rules, 2016
The Customs Act, 1969

2.3 Reporting period

The financial year of the company covers one year from 25 June 2019 to 31 March 2020. As this is the first year of operation of the baranch comparative statements and balances are not available.

2.4 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk./BDT), which is the company's functional currency. All financial information presented in Taka has been rounded to the nearest integer.

2.5 Use of judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively.

Quess Services Limited
Notes to the Financial statements
As at and for the period from 25 June 2019 to 31 March 2020

(a) Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

(b) Assumptions and estimation uncertainties

Information about assumptions, estimation and uncertainties that have a significant risk of resulting in a material adjustment in the period ending 31 March 2020 is included in the following notes:

3.0 Significant accounting policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements. Comparative information has been rearranged wherever considered necessary to conform to the current period's presentation.rearranged wherever considered necessary to conform to the current period's presentation.

Details of the significant accounting policies of the company are set out below.

3.1 Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.1.1 Financial assets

The company classifies non-derivative financial assets into financial assets 'at amortized cost, 'held-to-maturity' financial assets, 'loans and receivables' or 'available-for-sale' financial assets. Financial assets includes cash and cash equivalents, trade and other receivables, investment and advance, deposits and prepayments.

The company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the company is recognized as a separate financial asset or liability.

Quess Services Limited
Notes to the Financial statements
As at and for the period from 25 June 2019 to 31 March 2020

i. Financial assets measured at amortised cost

Financial assets are classified as "financial assets at amortized cost" if both of the following conditions are met:
• the financial assets are held within a business model for which the objective is to hold financial assets to collect contractual cash flows; and
• the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost using the effective interest method, less any impairment. Interest income based on the effective interest rate is recognized in profit or loss.

ii. Debt financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are classified as "debt financial assets at FVTOCI" if both of the following

• the financial assets are held within a business model for which the objective is achieved by both collecting contractual cash flows and selling financial assets; and
• the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, debt financial assets at FVTOCI are measured at fair value, and gains or losses arising from changes in fair value are recognized in other comprehensive income. Any cumulative amounts recognized in other comprehensive income are reclassified to profit or loss upon derecognition. Foreign exchange gains and losses arising on monetary financial assets classified as debt financial assets at FVTOCI and interest income calculated using the effective interest method relating to debt financial assets at FVTOCI are recognized in profit or loss.

iii. Equity financial assets at fair value through other comprehensive income (FVTOCI)

At initial recognition, the Company has made an irrevocable election for equity financial assets that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income and classifies such investments as "equity financial assets at FVTOCI." Subsequent to initial recognition, equity financial assets at FVTOCI are measured at fair value, and gains or losses arising from changes in fair value are recognized in other comprehensive income.

As at the balance sheet date the company had no financial assets at fair value through other comprehensive income.

iv. Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as "financial assets at FVTPL," if they are classified as neither "financial assets at amortized cost," "debt financial assets at FVTOCI," nor "equity financial assets at FVTOCI."

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value and gains or losses arising from changes in fair value, dividend income and interest income are recognized in profit or loss.

v. Impairment of financial assets

A loss allowance is recognized for expected credit losses on financial assets at amortized cost, debt financial assets at FVTOCI, and contract assets under IFRS 15 "Revenue from Contracts with Customers." At each fiscal period-end, the Company assesses whether the credit risk on financial assets has increased significantly since initial recognition. If the credit risk on financial assets has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to the 12-month expected credit losses. If the credit risk on financial assets has increased significantly since initial recognition or for credit impaired financial assets, the Company measures the allowance account for the financial assets at an amount equal to the lifetime expected credit losses. However, the Company always measures the loss allowance at an amount equal to the lifetime expected credit losses for trade receivables and contract assets.

The carrying amount of financial assets is directly reduced against the loss allowance when the Company has no reasonable expectations of recovering financial assets in their entirety, or a portion thereof.

3.1.2 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'financial liabilities measured at amortized cost' and the classification is determined at initial recognition. Company's financial liabilities mainly include trade and other payables and loans and borrowings.

i. Financial liabilities at fair value through profit or loss (FVTPL)

Non-derivative financial liabilities are classified into "financial liabilities at FVTPL" when the entire hybrid contract, including more than one embedded derivative, is designated and accounted for as a financial liability at FVTPL. Subsequent to initial recognition, liabilities at FVTPL are measured at fair value and gains or losses arising from changes in fair value and interest costs are recognized in profit or loss.

ii. Financial liabilities measured at amortized cost

Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method (EIR). Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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. Other financial liabilities include loans and borrowings, trade and other payables.

Financial assets and financial liabilities are offset, and the net amounts are presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Quess Services Limited
Notes to the Financial statements
As at and for the period from 25 June 2019 to 31 March 2020

3.2 provisions

A provisionis recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. provisionis ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provisionto be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provisionis presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provisiondue to the passage of time is recognized as a finance cost.

3.3 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Foreign currency differences are generally recognized in profit or loss.

3.4 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The entity recognizes revenue based on the obligations perfomed under the contract. The entity recognises revenue when it transfers control over a product or service to a customer. Revenue from the rendering of services recognized by the reference to the stage of completion of the transaction, when the following conditions are met.

Contract balances

Contract asset: An entity's right to consideration in exchange for goods or services that the entity has transferred to a customer.

Contract liability: An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer.

Receivable: An entity's right to consideration that is unconditional (only the passage of time is required before payment of that consideration is due).

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	31 March 2020
Receivables	1,596,462
Contract assets	-
Contract liabilities	-

Tk. 1,481,896 of revenue is recognized from performance obligations satisfied (or partially satisfied) from the period 25 June 2019 to 31 March 2020.

Quess Services Limited
Notes to the Financial statements
As at and for the period from 25 June 2019 to 31 March 2020

At the reporting date no goods or services were completed for which invoice was not issued, as a result no contract assets is recognized. The contract assets are transferred to receivables when the rights become unconditional. Advances received from the contract with customers during the reporting period are recognized in the financial statement as liability.

Cost relating to obtaining the contract has not been capitalized as it is already been expensed in prior periods.

3.5 Current Tax

provision for the Income Tax has been made as per The Income Tax Ordinance, 1984 as amended up to Finance Act 2019.

3.6 Events after reporting period

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.7 Going concern

The financial statements of the company are prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon company's ability to continue as a going concern.

Quess Services Limited
Notes to the Financial statements
As at and for the period from 25 June 2019 to 31 March 2020

			31-Mar-20
			Taka
4.0	**Cash & cash equivalents**		
	Cash in hand		-
	Cash at banks	(Note: 4.1)	3,142,523
			3,142,523
4.1	Cash at banks		
	BRAC Bank		333,020
	Standard Chartered Bank		2,809,503
			3,142,523
5.0	**Trade and other receivables**		
	Trade debtors		878,339
			718,124
			1,596,462
6.0	**Advance, deposit & prepayment**		
	Opening balance		-
	Add: Addition during this year	(Note: 6.1)	1,548,357
			1,548,357
	Less: Adjustment during this year		-
			1,548,357
6.1	Advance, deposit & prepayment		
	Rent security deposit		888,250
	Advance salary		660,107
			1,548,357
7.0	**Share capital**		
	Authorized:		
	500,000 ordinary share of Tk 100 each		50,000,000
	Issued, subscribed and paid up:		
	42,000 ordinary share of Tk 100 each		**4,200,000**

Number and percentage of shareholdings as at 30 June 2019

Shareholders	**Weight**	**No. of Share**		**share price**
Quess Corp Limited, India Represented By: Mr. Lohit Bhatia	90%	41,990	100	4,199,000
Mr. Subrata Kumar Nag	10%	10	100	1,000
Total		**42,000**		**4,200,000**

Quess Services Limited
Notes to the Financial statements
As at and for the period from 25 June 2019 to 31 March 2020

			31-Mar-20 Taka
8.0	**Trade and other payables**		
	Salary payable-core		146,072
	Salary payable-associates		594,228
	Quess Corp. Limited, India		3,350,742
			4,091,042
9.0	**Provision for expenses**		
	Office rent		374,000
			374,000
10.0	**Other current liabilities**		
	Withholding Tax payable	(Note: 10.1)	77,294
	VAT payable	(Note: 10.2)	310,916
	Provision for income tax	(Note: 10.3)	8,891
			397,101
10.1	Withholding Tax payable		
	Opening balance		
	Add: Addition during this year		77,294
			77,294
	Less: Adjustment during this year		-
			77,294
10.2	VAT payable		
	Opening balance		
	Add: Addition during this year		310,916
			310,916
	Less: Adjustment during this year		-
			310,916
10.3	Provision for income tax		
	Opening balance		
	Add: Addition during this year		8,891
			8,891
	Less: Adjustment during this year		-
			8,891
11.0	**Revenue**		
	Sales of service		1,481,897
			1,481,897

Quess Services Limited
Notes to the Financial statements
As at and for the period from 25 June 2019 to 31 March 2020

		31-Mar-20
		Taka
12.0	**Cost of sales**	
	Associates salary	1,276,259
		1,276,259
13.0	**Administrative expenses**	
	Printing & stationary	47,315
	Mobile bill & internet bill	7,310
	Courier and postage	3,600
	Conveyance	14,688
	Office maintenance	10,064
	Core employee salary	909,849
	Office rent & bills	1,505,350
	Miscellaneous	380,254
	Rates & Taxes	89,261
	Bank charges	3,855
		2,971,546

15.0 Related parties

During the year the company carried out a number of transactions with related parties in the normal course of business and "on an arms length basis", the name of the related parties, nature of the transaction and their balances at the year end set out below:

Transaction with the parent and related entities

Nature of transaction	Notes	Quess Corp. Limited, India
		Parent Company
		March' 2020
Opening balance		-
Reimbursable expenses		3,350,742
Settlement		-
Balance as at 31 March		**3,350,742**
Included in		
Trade and Other Payables	*11*	(3,350,742)
Trade and Other Receivables	*7*	-
		(3,350,742)

14.0 Other disclosures

14.1 Particulars of employees

There are 7 permanent employees appointed by Quess Services Limited as on 31 March 2020

14.2 Events after the reporting period

No material events had occurred after the reporting period to the date of issue of these financial statements which could affect the values stated in the financial statements.

Quess Services Limited
Notes to the Financial statements
As at and for the period from 25 June 2019 to 31 March 2020

14.4 Reporting period

These financial statements cover from 25 June 2019 to 31 March 2020.

BRAINHUNTER SYSTEMS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

BRAINHUNTER SYSTEMS LTD.

MARCH 31, 2020

CONTENTS

KNAV
PARTNERS BEYOND BOUNDARIES

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of:
Brainhunter Systems Ltd.

Opinion

We have audited the financial statements of Brainhunter Systems Ltd. (the Company), which comprise the balance sheet as at March 31, 2020, and the statements of income, deficit, and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are prepared, in all material respects, in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards 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 Canadian generally accepted auditing standards, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

• 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.

KNAV Professional Corporation

KNAV Professional Corporation
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Toronto, Ontario
May 16, 2020

BRAINHUNTER SYSTEMS LTD.

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

	2020	2019
ASSETS		
Current		
Cash and cash equivalents (note 3)	$ 2,263,614	$ 1,033,957
Accounts receivable	9,238,702	9,839,923
Prepaid expenses	172,127	52,720
Due from affiliated parties (note 8)	-	2,423,095
	11,674,443	13,349,695
Non-Current		
Deposits	37,849	69,955
Deposits with government authorities (note 13)	642,741	642,713
Future income tax recoverable (note 9)	480,787	509,693
Investments (note14)	5,001,375	9,510
Property and equipment (note 4)	846,878	951,868
Intangibles (note 5)	393,202	122,694
	7,402,832	2,306,433
	$ 19,077,275	$ 15,656,128
LIABILITIES		
Current		
Bank indebtedness (note 6)	$ -	$ 8,430,970
Accounts payable and accrued liabilities (note 7)	5,978,733	6,398,741
Due to affiliated parties -current portion (note 8)	2,244,148	-
Deferred revenue	227,976	282,181
Deferred leasehold inducement	195,547	-
Income tax payable (note 9)	284,016	298,382
	8,930,420	15,410,274
Non-Current		
Bank indebtedness (note 6)	-	969,000
Due to affiliated parties	9,277,093	-
	18,207,513	16,379,274
SHAREHOLDER'S EQUITY		
Capital stock (note 10)	7,224,655	7,224,655
Deficit	(6,354,893)	(7,947,801)
	869,762	(723,146)
	$ 19,077,275	$ 15,656,128

Approved:______________________________________

See accompanying notes.

BRAINHUNTER SYSTEMS LTD.

CONSOLIDATED STATEMENT OF INCOME AND DEFICIT

FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
Revenue	$ 53,664,470	$ 63,296,705
Cost of sales	45,352,680	53,770,707
Gross margin	8,311,790	9,525,998
Expenses		
Salaries and benefits	4,523,176	5,701,043
Office and general	1,073,603	1,848,686
	5,596,779	7,549,729
Income before the undernoted items	2,715,011	1,976,269
Gain on foreign exchange	257,892	281,053
Interest expense (notes 6 and 8)	(591,067)	(459,047)
Financing costs	(173,847)	(184,541)
Depreciation of property and equipment (note 4)	(216,206)	(153,550)
Amortization of intangibles (note 5)	(76,334)	(3,506)
Income before income taxes	1,915,449	1,456,678
Income taxes		
Current (note 9)	293,635	291,679
Future (note 9)	28,906	41,179
	322,541	332,858
Net income	1,592,908	1,123,820
Adjustment to retained earnings for sale of subsidiary	-	3,216,206
Deficit, beginning of year	(7,947,801)	(12,287,827)
Deficit, end of year	$ (6,354,893)	$ (7,947,801)

See accompanying notes.

BRAINHUNTER SYSTEMS LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
Cash flows from (used in) operating activities		
Net income	$ 1,592,908	$ 1,123,820
Adjustments for:		
Future income tax recoverable	28,906	41,179
Depreciation of property and equipment (note 4)	216,206	153,550
Amortization of intangibles (note 5)	76,334	3,506
Accrued interest on loans from related parties	41,250	(4,176)
	1,955,604	1,317,879
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	601,221	1,382,962
Decrease (increase) in prepaid expenses	(119,407)	428,744
Increase (decrease) in accounts payable and accruals	(420,008)	(619,854)
Increase (decrease) in income taxes payable	(14,366)	33,427
Increase (decrease) in deferred leasehold inducement	195,547	-
Increase (decrease) in deferred revenue	(54,206)	(91,376)
	2,144,385	2,451,782
Cash flows from (used in) investing activities		
Purchase of property and equipment	(111,215)	(587,970)
Deposits with government authorities	(28)	(295,322)
Decrease (increase) in deposits	32,105	14,127
Investments	(4,991,865)	(9,510)
Intangibles	(346,842)	(126,200)
Adjustment to retained earnings for sale of subsidiary	-	3,216,206
	(5,417,845)	2,211,331
Cash flows from (used in) financing activities		
Loans from (to) affiliated parties	13,903,086	(4,119,430)
Bank indebtedness	(9,399,970)	(609,363)
	4,503,116	(4,728,793)
Increase (decrease) in cash and cash equivalents	1,229,656	(65,680)
Cash and cash equivalents, beginning of year	1,033,957	1,099,637
Cash and cash equivalents, end of year	$ 2,263,613	$ 1,033,957
Supplemental cash flow information		
Interest paid	$ 549,817	$ 459,047
Income taxes paid	$ 308,000	$ 291,679

See accompanying notes.

1. Nature of operations:

The operations of Brainhunter Systems Ltd. (the "Company") primarily consists of consulting, solutions and services in the information technology and engineering sectors. The Company was incorporated on October 2, 2009 under the Ontario Business Corporations Act.

Pursuant to a share purchase agreement dated September 17, 2014, Quess Corp Limited ("Quess" or the "Parent"), acquired 7,000,100 common shares of Zylog Systems (Canada) Ltd. Simultaneously, 7,300,000 shares were issued to Quess Corp (USA) Inc. Subsequent to the acquisition described above, the Company changed its legal name to Brainhunter Systems Ltd.

Pursuant to a unanimous shareholders agreement dated March 31, 2019, Quess Corp (USA) Inc. converted debt of $2,710,153 into 22,542,531 common shares of the Company.

Pursuant to a share exchange agreement dated April 1, 2019, Quess Corp (USA) Inc. agreed to transfer 29,842,531 common shares, in the capital of the Company, to MFXchange Holdings Inc.(a Quess Corp North America holding company).

2. Significant accounting policies:

a. Basis of presentation:

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for private enterprises ("ASPE"), and are presented in Canadian dollars, which is the Company's functional currency. The consolidated financial statements include all the accounts of the Company and its wholly owned subsidiary. Mindwire Systems Ltd. All intercompany transactions and balances have been eliminated upon consolidation.

b. Property and equipment:

Property and equipment are recorded at cost. Amortization is provided annually on a straight-line basis over their estimated useful lives using the following annual rates:,

Computer equipment	30%
Office furniture and fixtures	20%
Computer software	100%
Leasehold improvements	Term of lease

2. Significant accounting policies (continued):

c. Revenue recognition:

Revenue is generated from information technology and engineering staffing and consulting services.

Revenue from staffing services includes temporary and permanent placement fees. Revenue from temporary placement fees are recognized once the services have been rendered, collection is reasonably assured, and all significant obligations have been fulfilled. Revenue from permanent placement fees are based on a percentage of annual salaries and are recognized once the employees have been placed, collection is reasonably assured, and all significant obligations have been fulfilled.

The Company enters into contracts with customers to complete software consulting projects. Customer billings are prepared monthly based on hours worked and agreed rates, at which time revenue is recognized. To a significantly lesser degree, certain other contracts are fixed price, for which revenue is recorded monthly using the percentage-of-completion basis, whereby revenue is recorded at the estimated net realizable value of the work completed to date.

The Company earns revenue from software licenses for in-house developed software that is deferred and recognized over the term of the license. Software customization revenue is recognized in the year the customization is completed.

d. Deferred financing costs:

Financing costs relating to the long-term debt and bank indebtedness are deferred and amortized using the effective interest method over the expected term of the corresponding loans. As the loans are repaid, the corresponding financial costs are charged to net income. Deferred financing costs are presented under bank indebtedness and long-term debt in the consolidated balance sheet and the related amortization under financing costs in the consolidated statement of operations and deficit.

2. Significant accounting policies (continued):

e. Income taxes:

The Company accounts for income taxes using the liability method of tax allocation. Under this method, future income tax assets and liabilities are determined by reference to the temporary differences between carrying values and the tax basis of assets and liabilities. The future income tax assets or liabilities are measured using the income tax rates and laws that are anticipated to apply when these differences are expected to be recovered or settled. Future income tax assets are recognized to the extent that realization of such benefits are considered more likely than not. The effect on future income tax assets and liabilities of a change in income tax rates is recognized into net income in the year that includes the enactment date.

f. Management plans :

The operation of the company has improved since the prior year and projections for the future are favorable, so it is anticipated that the company will continue without any assistance; however, if needed the company can obtain additional support from Quess Corp Limited (the ultimate holding company). Consequently, the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The management has prepared future projections supported by business plans and contracted agreements supporting its sales. Further the Company has been generating positive operating cash flows in the current year and previous year. The Company also has been regular in its payment of bank debt and related party debt. As a result, these consolidated financial statements have been prepared on the basis that the Company will continue to be a going concern and has therefore continued to apply the going concern basis of accounting to the consolidated financial statements.

g. Use of estimates:

The preparation of consolidated financial statements in conformity with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(i) Allowance for doubtful accounts:

The Company makes a provision to allow for potentially uncollectible amounts owed from customers. The allowance is reviewed by management periodically based on an analysis of the age of the outstanding accounts receivable. At March 31, 2020, an allowance of $57,630 (2019 - $57,630) has been included in the consolidated balance sheet.

2. Significant accounting policies (continued):

(ii) Accrued liabilities:

Accrued liabilities, including those pertaining to commissions, bonuses and professional fees are established by management based on their best estimate of the actual obligation. Management believes that the estimates used in establishing these accrued liabilities are accurate.

(iii) Impairment of assets:

Property and equipment, goodwill and intangible assets are tested for impairment for each business unit should an event or circumstance indicate that their fair value has fallen below their carrying value. Should any negative variances occur in the comparison, an impairment representing the excess is made to the goodwill and then to intangible assets.

(iv) Income taxes:

The Company estimates its Canadian federal income taxes based on interpretation of tax rules and regulations. The Company is also subject to audits from the Canada Revenue Agency and the outcome of such audits may differ from original estimates. Management believes that a sufficient amount has been accrued for income taxes.

h. Foreign currency translation:

Monetary assets and liabilities of the Company that are denominated in foreign currencies are translated into Canadian dollars at the rates of exchange prevailing at the consolidated balance sheet date. Property and equipment and related amortization are translated at rates prevailing at the dates of acquisition. Revenue and expenses, other than amortization, are translated at the average rate of exchange in effect during the month that the transaction occurred. All exchange gains and losses are recognized in the current year's net income.

2. Significant accounting policies (continued):

i. Intangible assets and goodwill:

The Company classifies intangible assets, obtained through acquisitions or developed internally, as definite-lived and indefinite-lived intangible assets, as well as goodwill. Definite-lived intangibles are amortized on a straight-line basis over the asset's useful life while indefinite-lived intangibles and goodwill are not amortized but are tested for impairment annually, or more frequently, if events or circumstances indicate that they might be impaired. The impairment test consists of allocating indefinite-lived intangibles and goodwill to reporting units and then comparing the book value of the reporting units, including indefinite-lived intangibles and goodwill, to their fair values. The Company determines fair value by using discounted future cash flows for reporting units. The excess of carrying value over fair value, if any, is recorded as an impairment charge to the consolidated statement of operations and deficit in the year in which the impairment is determined. Subsequent reversals of impairment are prohibited.

j. Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months from the date of acquisition.

k. Related party transections:

Monetary-related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

3. Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months from the date of acquisition.

	2020	2019
Cash	$ 2,263,614	$ 1,033,957

At year end, the carrying value of cash and cash equivalents approximated fair market value due to the short-term nature of the investments.

4. Property and equipment

	2020			2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	$ 1,160,882	$ 1,141,774	$ 19,108	$ 45,023
Office furniture and fixtures	483,901	389,794	94,107	117,505
Computer software	295,817	264,188	31,629	-
Leasehold improvements	1,257,845	555,811	702,034	789,340
	$ 3,198,445	$ 2,351,567	$ 846,878	$ 951,868

The depreciation of property and equipment totaled $ 216,206 in 2020 (2019 - $ 153,550).

5. Intangibles

	2020	2019
Cost	$ 473,041	$ 126,200
Accumulated amortization	(79,839)	(3,506)
	$ 393,202	$ 122,694

During the year $ 346,842 (2019 - $ 126,200) was capitalized as intangibles, which consist of Mobile enabled Enterprise Collaboration App of $ 308,594 and Facelift of Talentflow ATS application of $ 38,247, which will seamlessly connect with the Company's ecosystem consisting of employees, clients, consultants, vendors, and job seekers.

Management has estimated a useful life of 3 years and is amortizing it over that term accordingly.

The amortization of intangibles totaled $ 76,334 in 2020 (2019 - $ 3,506).

6. Bank indebtedness

	2020	2019
ICICI Bank of Canada working capital credit facility bearing interest at the Canadian Dealer Offered Rate CDOR plus 3.00 % (2019 - CDOR plus 3.00 %)	$ -	$ 8,030,970
ICICI Bank of Canada term loan, bearing interest at CDOR plus 3.75 % (2019 - CDOR plus 3.75 %)	-	1,369,000
	-	9,399,970
Less current portion	-	8,430,970
	$ -	$ 969,000

On October 15, 2015, the Company completed the refinancing of its prior credit facility with ICICI Bank of Canada and signed an amendment to its working capital credit facility agreement. The outstanding bank indebtedness was refinanced to include the following two facilities: (a) a $4,000,000 term loan facility and (b) a $6,700,000 working capital facility. Interest on the term loan facility was payable quarterly at a rate of 2.50% plus CDOR per annum, increasing by 0.25% per annum commencing six months from the date of the refinancing and, thereafter, at the beginning of each subsequent three-month period. Quarterly principal repayments on the term loan facility of $333,000 commenced on December 1, 2016. Interest on the working capital facility was payable monthly at a rate of 2.25% plus CDOR per annum, increasing by 0.25% per annum commencing six months from the date of the refinancing and, thereafter, at the beginning of each subsequent three-month period. The working capital facility must be repaid 12 months after the date of the refinancing unless extended by ICICI Bank of Canada.

On November 10, 2016, the Company amended its existing facility with ICICI Bank of Canada. As part of the amendment, the term for the working capital facility was extended to January 31, 2017. Under the amendment, interest on the working capital facility is payable monthly at a rate of 2.25% plus CDOR per annum and interest on the term loan is payable quarterly at a rate of 2.5% plus CDOR per annum.

On May 30, 2017, the Company amended its existing facility with ICICI Bank of Canada. As part of the amendment, the term for the working capital facility was extended from January 31, 2017 to January 31, 2018.

On July 25, 2017, the Company amended its existing facility with ICICI Bank of Canada. As part of the amendment, working capital facility limit was increased to $8,800,000. Under the amendment, interest on the working capital facility is payable monthly at a rate of 3.00% plus CDOR per annum and interest on the term loan is payable quarterly at a rate of 3.75% plus CDOR per annum.

On January 31, 2018, the Company amended its existing facility with ICICI Bank of Canada. As part of the amendment, the term for the working capital facility was extended from January 31, 2018 to July 31, 2018.

6. Bank indebtedness (Continued):

On July 31, 2018, the Company amended its existing facility with ICICI Bank of Canada. As part of the amendment, the term for the working capital facility was extended from August 1, 2018 to July 31, 2019.

On August 25, 2018 there was an amendment to the agreement of Facility A (Term Loan) to extend the termination date to September 1, 2021. There was also an amendment in the repayment schedule requiring the company to pay $100,000 at quarterly intervals starting September 1, 2018.

On July 31, 2019, the Company amended its existing facility with ICICI Bank of Canada. As part of the amendment, the term for the working capital facility was extended from August 1, 2019 to October 31, 2019.

There were no events of default under the ICICI Bank of Canada term loan and working capital facilities agreement as at November 22, 2019.

On November 22, 2019 a term loan and facilities agreement was executed between ICICI Bank of Canada and MFXchange Holdings Inc., the parent company, and its subsidiaries and other related companies whereby the existing facility with ICICI Bank of Canada was assigned to MFXchange Holdings Inc. The loan is secured by a general security arrangement and has been guaranteed by Brainhunter Systems Limited and its subsidiary Mindwire Systems Limited amongst other guarantors.

The outstanding bank indebtedness was refinanced to include the following two facilities: (a) a $7,500,000 term loan facility and (b) a $12,500,000 working capital facility. Both of these facilities were utilized by MFXchange Holdings Inc. and its subsidiaries.

During the year ended March 31, 2020, the Company recognized $340,875 (2019 - $431,861) in interest expense on the facilities.

7. Accounts payable and accrued liabilities:

	2020	2019
Trade and accrued liabilities	$ 5,792,506	$ 6,192,857
Salaries and commissions payable	186,227	205,884
	$ 5,978,733	$ 6,398,741

Included in accounts payable and accrued liabilities as at March 31, 2020 are government remittances payable (recoverable) of $187,945 (2019 - $10,744) relating to federal and provincial sales taxes, payroll taxes, health taxes and workers' safety insurance.

8. Due from (to) affiliated parties:

	2020	2019
MFXchange Holdings Inc. towards credit facilites from ICICI Bank of Canada (refer note 6) - bearing interest at CDOR plus 2.5 % per annum (2019 - NIL%)	$ (11,511,664)	$ -
Fairfax Financial Holdings Ltd - bearing interest at 3% per annum (2019 - 3%)	-	(1,076,591)
Quess Corp (USA), Inc bearing interest at NIL % per annum (2019 NIL %)	(74,918)	(66,105)
MFXchange US Inc. bearing interest at Nil % per annum (2019 - Nil %)	-	(1,147,595)
Quess Corp Limited	65,341	65,341
MFXchange US Inc.	-	4,648,045
	$ (11,521,241)	$ 2,423,095
Current portion	$ (2,244,148)	$ -
Long-term portion	(9,277,093)	2,423,095
	$ (11,521,241)	$ 2,423,095

During the year, the balances payable to Fairfax Financial Holdings Ltd. and MFXchange US Inc. were repaid in full. The amount payable to both companies in 2019 were $1,076,591 and $1,147,595 respectively. The amount payable to Quess Corp (USA), Inc. of $74,918 (2019 - $66,105) reflects funds received to support the Company's operating activities. The amount receivable from Quess Corp Limited in the amount of $65,341 (2019 - $65,341), reflects debit notes issued for the expenses incurred on behalf of Quess Corp Limmited. All of the related party balances are recorded at their carrying amounts.

During the year ended March 31, 2020, the Company recognized $250,192 (2019 - $27,186) in interest expense on the amounts due to related parties.

During the year ended March 31, 2020, the due of $ 4,648,045 from MFXchange US Inc. was converted to 100 series B preference shares to the Company. The difference is due to foreign exchange gain (see note 14 for more details).

Accounts receivable include an amount due from MFXchange Holdings Inc. of $24,535.67 (2019 - $102,088), from Quess Corp (USA), Inc of $669,225 (2019 - $91,589) and from MFXchange US Inc. of $64,375.23 (2019 - NIL. Accounts payables include an amount due to MFX Infotech Private Limited for $159,823 (2019 - NIL). In addition, during the year ended March 31, 2020, the company earned revenue of $333,538 from Quess Corp (USA), Inc (2019 - NIL).

9. Income taxes:

The Company pays income taxes at a statutory rate of 26.5% (2019 - 26.5%). The difference between the Company's reported income tax expense on operating income and the expense that would otherwise result with the application of the applicable rate is as follows:

	2020	2019
Income before income taxes	$ 1,915,449	$ 1,456,678
Rate	26.5%	26.5%
Expected provision for (recovery of) income taxes	507,594	386,020
Increase (decrease) in income taxes resulting from:		
Permanent difference	5,440	12,372
Change in valuation allowance	(347,374)	(722,584)
Other	156,881	(107,228)
Income tax expense	$ 322,541	$ 332,858

As at March 31, 2020, the Company has $1,458,916 of future tax assets before any valuation allowance. As at March 31, 2020, the Company recognized a future tax asset of $480,787 related to one of its subsidiaries, as it was determined to be more likely than not to recognize these future tax assets. The remaining balance of $978,129 of future tax assets has not been recognized as the future realization of these income tax assets did not meet the test of being more likely than not to occur. A summary of the future tax assets at March 31, 2020 is as follows:

	2020	2019
Future income tax assets (liabilities):		
Non-capital losses	$ 1,097,231	$ 1,305,886
Property and Equipment	308,318	462,944
Sub-lease inducement	38,095	43,881
Other temporary differences	15,272	22,485
	1,458,916	1,835,196
Less: valuation allowance	978,129	1,325,503
Net future income tax assets	$ 480,787	$ 509,693

9. Income taxes (Continued):

As at March 31, 2020, the Company has non-capital losses of $4,140,494 which can be used to reduce taxable income of future years. The potential tax benefit of these losses has not been recorded in consolidated financial statements. These losses are set to expire as follows:

Canada	
2035	55,906
2036	2,619,897
2037	1,146,245
2038	318,446
	$ 4,140,494

10. Capital stock:

	2020	2019
Authorized		
Unlimited common shares		
Issued:		
36,842,631 (2019 - 36,842,631) common shares	$ 7,224,655	$ 7,224,655

11. Commitments:

The Company has entered into leases for office space. As at March 31, 2020, the Company has contractual obligations for basic rent payments as follows:

2020 - 2022	$ 374,148
2023 and thereafter	$ 1,187,207

12. Financial risks and concentration of risk:

Financial instruments are initially recorded at fair value. Financial instruments that are short-term investments are written down when their carrying amounts exceed their quoted market values. All other financial instrument assets are written down when their carrying amounts exceed their estimated market values and this condition is expected to be other than temporary.

The Company's financial instruments recognized in the consolidated balance sheet consist of cash and cash equivalents, accounts receivable, due to related parties, accounts payable and accrued liabilities and bank indebtedness. The fair values of cash and cash equivalents, accounts receivable, due to related parties, accounts payable and accrued liabilities approximate their recorded amounts due to the short-term receipt or payment of cash or determinable cash flow streams. The carrying value of the bank indebtedness approximates fair value because the interest rates approximate market rates.

a. Credit risk:

The Company grants credit to its customers in the normal course of business. The consolidated financial statements take into account an allowance for bad debts. The Company is exposed to credit risk from their customers but the concentration of the risk is minimized because of the large customer base. There has been no change to the risk exposure since fiscal 2019.

b. Interest rate risk:

The Company is financed through bank debt which bears interest at rates tied to the Canadian bankers' acceptance rates. Consequently, the Company is exposed to the risk of increases in the bankers' acceptance rates. There has been no change to the risk exposure since fiscal 2019.

12. Financial risks and concentration of risk (Continued):

c. Foreign exchange risk:

The Company carries out some transactions in U.S. dollars and, as such, is exposed to fluctuations in exchange rates. Approximately 3% of the Company's sales and purchases are in U.S. dollars (2019 - 7%). The Company has not entered into derivative instruments to mitigate these risks. During the year ended March 31, 2020, the Company recorded a foreign exchange gain of $(257,892) (2019 - $(281,053)). There has been no change to the risk exposure since fiscal 2019.

d. Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Refer to note 1 on the Company's economic dependence on Quess. There has been no change to the risk exposure since fiscal 2019.

13. Contingencies:

On December 13, 2016, the Company received a Notice of Assessment from the Ontario Ministry of Finance regarding an employer health tax audit related to calendar years 2012 to 2015. The amount in the Notice of Assessment is $576,118. In the opinion of management, this assessment is without substantial merit and the Company filed a Notice of Objection on June 7, 2017. Subsequent to filing the Notice of Objection, the Company entered into a compliance arrangement with the Ontario Ministry of Finance. Under this compliance agreement, the Company has agreed to remit the amount owing over an 18-month period while the objection is being reviewed. The last instalment was paid in the quarter ending December, 2018. As at March 31, 2020, the Company has remitted payments totaling $642,741 (2019 - $642,713), which has been recorded as a deposit with government authorities on the consolidated balance sheet.

On July 15, 2019 the company made additional submissions to the Ministry of Finance (Ontario) stating that the analysis of the Ministry of Finance (Ontario) fails to consider the relevant case law and that no analysis or decisions were provided to state that their conclusion “is consistent with the facts and judgements provided in various court cases”. The company concluded in their submissions that based on relevant case law it is obvious that the workers are not employees. On September 18, 2019, the senior appeals officer of Ministry of Finance, Advisory, Objections, Appeals and Services Branch disagreed with the submissions of the company and concluded that the workers are providing their services to the company as employees under contract of service. On January 10, 2020 the company filed a Notice of Appeal with the Ontario Superior Court of Justice for the 2012 through 2015 taxation years with the respondent being the the Minister of Finance. The company has filed with detailed submissions stating that the workers are not employees and are independent contractors.

The Company believes that the likelihood of success on the appeal is "more likely than not" and therefore no provision has been recorded as at March 31, 2020.

14. Investment:

	2020	2019
MFXchange US Inc.	$ 4,991,865	$ -
MFXchange Holdings Inc.	9,510	9,510
Total	$ 5,001,375	$ 9,510

The investment from MFXchange US Inc. resulted from a loan receveibale from the prior year (see note 8 for more details).

15. Covid-19:

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

COMTEL SOLUTIONS PTE LTD

(Co. Reg. No.: 199801439D)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Joe Tan & Associates PAC
Chartered Accountants

1 Coleman Street #05-16 The Adelphi Singapore 179803
Tel: (65) 6837 0360 Fax: (65) 6837 0369
Email: enquiry@jdt.com.sg website: www.jdt.com.sg
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PrimeGlobal An Association of Independent Accounting Firms

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

CONTENTS

The directors are pleased to present their statement to the members together with the audited financial statements of Comtel Solutions Pte Ltd (the "Company") for the financial year ended 31 March 2020.

1. OPINION OF THE DIRECTORS

(a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; and

(b) at the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors of the Company in office at the date of this statement are:

Lohit Bhatia	(Appointed on 18 December 2019)
Guruprasad Srinivasan	(Appointed on 18 December 2019)
Pallipakkam Ramachandran Sridharan	(Appointed on 31 December 2019)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of the financial year nor at any time during the financial period was a company a party to any arrangement of which the object was to enable the directors of the Company to acquire benefits through the acquisition of share in, or debentures of, the Company or any other body corporate.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the company holding office at the end of the financial year had no interest of the share capital or debentures of the company or of related corporations either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year as recorded in the register of directors' shareholdings kept by the company under section 164 of the Singapore Companies Act, Cap. 50.

5. SHARES OPTIONS

There were no options granted by the Company during the financial year.

There were no shares issued during the financial year by virtue of any exercise of option to take up unissued shares of the Company.

There were no unissued shares of the Company under shares option as at the end of the financial year.

6. INDEPENDENT AUDITOR

The auditor, **Joe Tan & Associates PAC**, Public Accountants and Chartered Accountants, has expressed its willingness to accept the appointment as Auditor.

On behalf of the Board of Directors,

P.R. Sridh

Pallipakkam Ramachandran Sridharan
Director

GURUPRASAD SRINIVASAN
Digitally signed by GURUPRASAD SRINIVASAN
Date: 2020.04.28 14:59:33 +05'30'

Guruprasad Srinivasan
Director

Singapore 05 MAY 2020

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

COMTEL SOLUTIONS PTE LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Comtel Solutions Pte Ltd (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement [set out on pages 1 to 2].

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.

1 Coleman Street #05-16 The Adelphi Singapore 179803
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Email: enquiry@jdt.com.sg website: www.jdt.com.sg
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Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Joe Tan & Associates Pac

JOE TAN & ASSOCIATES PAC
Public Accountants and
Chartered Accountants

Singapore 05 MAY 2020

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Tel: (65) 6837 0360 Fax: (65) 6837 0369
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COMTEL SOLUTIONS PTE LTD
(Co. Reg. No.: 199801439D)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 S$	2019 S$
ASSETS			
Non-current assets:			
Investment in subsidiary	4	1	1
Plant and equipment	5	151,240	18,358
Right of use assets	6	1,249,174	-
Total non-current assets		1,400,415	18,359
Current assets:			
Trade and other receivables	7	14,159,803	13,059,316
Contract assets	8	7,807,447	8,027,761
Cash and cash equivalents	9	5,444,511	10,401,786
Total current assets		27,411,761	31,488,863
TOTAL ASSETS		28,812,176	31,507,222
EQUITY AND LIABILITIES			
Equity:			
Share capital	10	500,000	500,000
Retained earnings		17,954,748	21,750,117
Equity attributable to owners of the company		18,454,748	22,250,117
Non-current liability			
Lease liabilities	11	1,063,022	-
Total non-current liabilities		1,063,022	-
Current liabilities:			
Lease liabilities	11	186,152	-
Trade and other payables	12	7,909,868	7,733,099
Contract liabilities	8	514,995	405,478
Income tax payable		683,391	1,118,528
Total current liabilities		9,294,406	9,257,105
Total liabilities		10,357,428	9,257,105
TOTAL EQUITY AND LIABILITIES		28,812,176	31,507,222

The accompanying notes form an integral part of these financial statements.

COMTEL SOLUTIONS PTE LTD
(Co. Reg. No.: 199801439D)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 S$	2019 S$
Revenue	13	92,980,815	91,431,412
Cost of services		(83,083,788)	(80,561,971)
Gross Profit		9,897,027	10,869,441
Other income	14	101,010	394,485
Provision for expected credit losses		(177,890)	(87,499)
Administrative expenses		(3,428,587)	(4,684,351)
Profit before income tax	16	6,391,560	6,492,076
Income tax expense	17	(1,086,929)	(976,997)
Profit after income tax, representing total comprehensive income for the year		5,304,631	5,515,079

The accompanying notes form an integral part of these financial statements.

COMTEL SOLUTIONS PTE LTD
(Co. Reg. No.: 199801439D)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Share capital S$	Retained earnings S$	Total S$
Balance at 1 April 2019		500,000	21,750,117	22,250,117
Profit for the year, representing total comprehensive income for the year		-	5,304,631	5,304,631
Dividend paid	18	-	(9,100,000)	(9,100,000)
Balance at 31 March 2020		500,000	17,954,748	18,454,748
Balance at 1 April 2018		500,000	21,235,038	21,735,038
Profit for the year, representing total comprehensive income for the year		-	5,515,079	5,515,079
Dividend paid	18	-	(5,000,000)	(5,000,000)
Balance at 31 March 2019		500,000	21,750,117	22,250,117

The accompanying notes form an integral part of these financial statements.

COMTEL SOLUTIONS PTE LTD
(Co. Reg. No.: 199801439D)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 S$	2019 S$
Cash flows from operating activities			
Profit before income tax		6,391,560	6,492,076
Adjustments for:			
Provision for expected credit losses	7	177,890	87,499
Depreciation of plant and equipment	5	11,575	1,894
		6,581,025	6,581,469
Changes in working capital:			
Trade and other receivables		(1,278,377)	8,788,085
Trade and other payables		176,769	(592,016)
Contract assets		220,314	(8,027,761)
Contract liabilities		109,517	405,478
Cash generated from from operations		5,809,248	7,155,255
Income tax paid		(1,522,066)	(1,110,676)
Net cash generated from from operating acivities		4,287,182	6,044,579
Cash flows from investing activity			
Purchase of plant and equipment	5	(144,457)	(20,252)
Net cash used in investing activity		(144,457)	(20,252)
Cash flows from financing activities			
Repayment of amount due to director	A	-	-
Advances from amount due to ultimate holding company	A	-	538,819
Advances from amount due to immediate holding company		-	127,044
Advances from amount due to related company	A	-	195,227
Dividend paid	18	(9,100,000)	(5,000,000)
Net cash used in financing activities		(9,100,000)	(4,138,910)
Net (decrease)/increase in cash and cash equivalents		(4,957,275)	1,885,417
Cash and cash equivalents at the beginning of year		10,401,786	8,516,369
Cash and cash equivalents at the end of year	9	5,444,511	10,401,786

Note A: Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities.

	1.4.2019 S$	Financing Cash Flows S$	31.3.2020 S$
Amount due to ultimate holding company	538,819	(538,819)	-
Amount due to immediate holding company	127,044	(127,044)	-
Amount due to related company	195,228	(195,228)	-

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The Company is a private company limited by shares and is incorporated and domiciled in the Republic of Singapore.

The Company's immediate holding company is Quesscorp Holdings Pte. Ltd., incorporated in Singapore.

The Company's ultimate holding company is Quesscorp Holdings Limited, incorporated in India.

The registered office and principal place of business of the Company is located at e Robinson Road, #12-01 The House of Eden, Singapore 048543.

The principal activities of the Company are those of providing general (non-IT) staffing services. There are no significant changes in the nature of these activities during the financial period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements are prepared in accordance with the Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (S$), which is the Company's functional currency.

2.2 ADOPTION OF NEW AND REVISED STANDARDS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 March 2019. Except for the adoption of FRS 116 *Leases* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Company.

FRS 116 *Leases*

FRS 116 supersedes FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases-Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.* The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.2 ADOPTION OF NEW AND REVISED STANDARDS - CONTINUED

FRS 116 *Leases - continued*

The Company adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application

However, the adoption of FRS 116 has no significant effects on the Company's accounts at the beginning of the year.

The Company has lease contracts for office premises. Before the adoption of FRS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The accounting policy prior to 1 April 2019 is disclosed in Note 2.17.

Upon adoption of FRS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 April 2019 is disclosed in Note 2.17. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

(a) Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leas- es of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.2 ADOPTION OF NEW AND REVISED STANDARDS - CONTINUED

(a) Leases previously accounted for as operating leases - continued

FRS 116 *Leases - continued*

The Company also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.
- Based on the above, as at 1 April 2019:
- right-of-use assets of $1,249,174 were recognized.
- additional lease liabilities of $1,249,174 (included in borrowings) were recognised;

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 *Definition of Material*	1 January 2020
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.4 FINANCIAL INSTRUMENTS

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement - Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.4 FINANCIAL INSTRUMENTS - continued

(b) Financial liabilities - continued

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.5 IMPAIRMENT OF FINANCIAL ASSETS

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.7 CONTRACT ASSETS, CONTRACT LIABILITIES AND TRADE RECEIVABLES

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Section Financial instruments – initial recognition and subsequent measurement.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.8 INVESTMENT IN SUBSIDIARY

The investment in subsidiary is carried at cost less any accumulated allowance for impairment. On disposal of investment in subsidiary, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.9 CONSOLIDATION

The company did not consolidate the accounts of its subsidiary due to the exemption under FRS110 Consolidated Financial Statements as follows:

(a) it is wholly owned subsidiary of another entity;
(b) its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the counter market, including local and regional markets);
(c) it did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market; and
(d) its ultimate parent produces consolidated financial statements that are available for public use.

2.10 PLANT AND EQUIPMENT

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is calculated using straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

		Useful lives
Office equipment	-	3 years
Computer	-	1 year
Renovation	-	1 year

The carrying value of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal of when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

2.12 PROVISIONS

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax that reflected, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 EMPLOYEE BENEFITS

(a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The undiscounted liability for leave expected to be settled wholly within twelve months from the reporting date is recognised for annual leave as a result of services rendered by employees up to the end of the reporting period. The Company allows employee leave entitlements to carry forward for a maximum period of twelve months.

(c) Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.14 LEASES

These accounting policies are applied on and after the initial application date of FRS 116, 1 January 2019:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of- use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight- line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

The Company's right-of-use assets are presented in (Note 9).

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.14 LEASES - CONTINUED

(a) As lessee - continued

Lease liabilities - continued

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in borrowings (Note 11).

These accounting policies are applied before the initial application date of FRS 116, 1 January 2019:

(a) As lessee - continued

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.15 SHARE CAPITAL

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.16 DIVIDEND

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting when these dividends have been approved by the shareholders and declared, they are recognised as liability.

Interim dividends are simultaneously proposed and declared because the articles of association of the Company grant the directors the authority to declare interim dividends consequently interim dividends are recognised as a liability when they are proposed and declared.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.17 REVENUE RECOGNITION

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Rendering of services

The Company is providing staffing services.

Revenue from services are recognised when consultancy services are rendered and all criteria for acceptance have been satisfied.

2.18 GOVERNMENT GRANT

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.19 TAXES

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.19 TAXES - CONTINUED

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.20 RELATED PARTIES

A related party is defined as follows:

(a)A person or a close member of that person's family is related to the Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions apply:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint venture of the same third party.
- (iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii)The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.21 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

3. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could results in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgement made in applying accounting policies

(i) Determination of functional currency

In determining the functional currency of the Company, judgement is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the current that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period are discussed below. The Company based its assumptions and estimates 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 beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates 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 beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful lives of plant and equipment

The useful life of an item of plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Company's plant and equipment as at 31 March 2020 was S$151,240 (2019: S$18,358).

3. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS – CONTINUED

(b) Key sources of estimation uncertainty – continued

(ii) Impairment of plant and equipment

The plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The Company assesses impairment of these assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of these assets is estimated to determine the impairment loss. The Company evaluates the recoverable amount of these assets based on the net present value of future cash flows (value in use) derived from such assets using cash flow projections which have been discounted at an appropriate rate.

As at 31 March 2020, no allowance for impairment loss of the plant and equipment was made as the recoverable amount was in excess of the carrying amount.

(iii) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 21.

The carrying amounts of the Company's trade receivables as at 31 March 2020 were S$11,448,434 (2019: S$11,474,775).

(iv) Provision for income taxes

The Company recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Company's income tax payable as at 31 March 2020 was S$683,391 (2019: S$1,118,528).

4. INVESTMENT IN SUBSIDIARY

	2020 S$	2019 S$
Unquoted investments		
Equity shares, at cost	1	1

The details of the subsidiary held by the Company are as follows:

Name of subsidiary	Principal activities	Country of incorporation and place of business	Effective equity held by the Company 2020 %	Effective equity held by the Company 2019 %	Cost of investment 2020 S$	Cost of investment 2019 S$
Comtelink Sdn. Bhd. *	Provide consultancy services	Malaysia	100%	100%	1	1

* Audited by Selva & Associates Chartered Accountants (Malaysia).

5. PLANT AND EQUIPMENT

	Office Equipment S$	Computers and Software S$	Renovation S$	Total S$
Cost:				
As at 31.03.2018	888	120,001	38,570	159,459
Additions	13,336	6,916	-	20,252
As at 31.03.2019	14,224	126,917	38,570	179,711
Additions	-	5,468	138,989	144,457
As at 31.03.2020	14,224	132,385	177,559	324,168
Accumulated depreciation:				
As at 31.03.2018	888	120,001	38,570	159,459
Depreciation	741	1,153	-	1,894
As at 31.03.2019	1,629	121,154	38,570	161,353
Depreciation	4,445	7,130	-	11,575
As at 31.03.2020	6,074	128,284	38,570	172,928
Net carrying value:				
As at 31.03.2019	12,595	5,763	-	18,358
As at 31.03.2020	8,150	4,101	138,989	151,240

6. RIGHT OF USE ASSETS

	Office premises S$	Total S$
At 1 April 2019	-	-
Additions	1,249,174	1,249,174
At 31 December 2019	1,249,174	1,249,174

The commencement date of the premises is on 1 May 2020, and possession date of the premises on 1 March 2020, the Company is entitled for free rental from 1 March 2020 to 30 April 2020 (both date inclusive). The Company should recognised its right of use assets upon obtained of the right and control over the assets. The Company signed the tenancy agreement on 28 February 2020. No depreciation charged as the commencement date is on 1 May 2020.

7. TRADE AND OTHER RECEIVABLES

	2020 S$	2019 S$
Trade receivables:		
- Fellow subsidiary	120,967	322,004
- Third parties	11,554,077	11,240,270
- Subsidiary	38,779	-
- *Less*: Allowance of expected credit loss	(265,389)	(87,499)
	11,448,434	11,474,775
Other receivables:		
- Advances to employees	250,995	310,028
- Amounts due from immediate holding company	641,879	-
- Amounts due from related parties	1,423,237	420,469
- Deposits	128,109	56,959
- Interest receivables from immediate holding company	6,393	-
- Other receivables (*Note A*)	-	675,000
- Prepayments	260,756	122,085
	14,159,803	13,059,316

7. TRADE AND OTHER RECEIVABLES - CONTINUED

Note A

In February 2019, the Company's management discovered that an amount of US$500,000(approx. S$675,000) was wrongfully transferred to an unknown third party in Hong Kong arising from a purportedly email claimed to be from the Company's ultimate holding company which was discovered to be ingenuine. No impairment is provided as the first information report had been lodged with the Hong Kong Police Force and Singapore Police Force and investigations are ongoing. A statement of claim and writ of summon were also filed against the defendants in Hong Kong to recover the said sum by lawyer to pursue the wrongful vigorously. The Company is confident of recovering the above sum based on the advice from its solicitor in Hong Kong that the Hong Kong Police Force has informed the Company's solicitor the fund in question had been frozen at the moment. Hence, no impairment for possible loss was made in the Company's accounts.

Trade receivables are unsecured, non-interest bearing and are generally settled on 30 to 90 (2019: 30 to 90) days' term.

Other receivables are non-trade in nature, unsecured, interest-free and have no fixed term of repayment,

The amount due from related parties and advances to employees are non-trade in nature, unsecured, interest free and have no fixed term of repayment.

There is no other class of financial assets that is past due and/or impaired except for trade receivables.
Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2020 S$	2019 S$
At 1 April	87,499	-
Provision for expected credit losses	177,890	87,499
At 31 March	265,389	87,499

8. CONTRACT ASSETS AND LIABILITIES

The contract assets primarily relate to the Company's right to consideration for work completed and not billed, as the rights are conditioned on the Company's future performance in satisfying the respective performance obligation at each reporting date. The contract liabilities primarily relate to our Company's obligation to render services to customers for which the Company has received consideration from the customer.

The following table show the contract assets and liabilities:

	2020	2019
Current:	**S$**	**S$**
Contract assets	7,807,447	8,027,761
Contract liabilities	(514,995)	(405,478)

9. CASH AND CASH EQUIVALENTS

	2020 S$	2019 S$
Cash in hand	849	1,209
Cash at banks	5,411,512	10,376,125
Banker's guarantee	32,150	24,452
	5,444,511	10,401,786

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	2020 S$	2019 S$
Cash in hand	849	1,209
Cash at banks	5,411,512	10,376,125
Banker's guarantee	32,150	24,452
	5,444,511	10,401,786
Less: banker's guarantee pledged	(32,150)	(24,452)
	5,412,361	10,377,334

The banker's guarantee has a maturity term of 6 to 27 months (2019: 2 to 17 months) from the end of the financial year and it is interest free.

10. SHARE CAPITAL

	2020		2019	
	No. of shares	S$	No. of shares	S$
Issued and fully paid ordinary shares				
1 April and 31 March	500,000	500,000	500,000	500,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

11. LEASE LIABILITIES

	2020 S$	2019 S$
Current:		
- Lease liabilities (secured) (Note 21)	186,152	-
Non-current:		
- Lease liabilities (secured) (Note 21)	1,063,022	-
	1,249,174	-

12. TRADE AND OTHER PAYABLES

	2020 S$	2019 S$
Trade payables:		
- Sub-Contractor payables	415,417	292,476
Other payables:		
- Salaries, CPF and FWL payables	5,451,055	5,024,526
- Accruals	446,458	31,491
- Amount due to ultimate holding company	6,499	538,820
- Amount due to immediate holding company		127,044
- Amount due to related company	137,701	195,228
- Provision for incentives	25,000	-
- GST payables	1,427,738	1,523,514
	7,909,868	7,733,099

12. TRADE AND OTHER PAYABLES – CONTINUED

Trade payables are non-interest bearing and are generally settled on 30 to 90 (2019: 30 to 90) days' term.

Other payables are non-trade in nature, unsecured, interest free and have no fixed term of repayments

Deferred revenue comprises amounts billed to customers in respect of services to be rendered in future periods.

The amounts due to director and holding companies are unsecured, non-trade in nature, interest-free and repayable on demand.

13. REVENUE

	2019 S$	2019 S$
Service rendered	92,980,815	91,431,412

14. OTHER INCOME

	2020 S$	2019 S$
Government grants	94,617	199,915
Rental income	-	96,000
Other income	6,393	98,570
	101,010	394,485

15. EMPLOYEE BENEFITS

	Note	2020 S$	2019 S$
Key management compensation:			
Director's remuneration	20	33,000	410,574
Staff costs:			
- Salaries and bonuses		2,600,219	2,264,403
- Staff amenities		55,051	69,697
- CPF contribution		54,140	87,701
		2,742,410	2,832,375

16. PROFIT BEFORE INCOME TAX

	Note	2020 S$	2019 S$
Profit before taxation has been arrived at after charging/(crediting):			
Depreciation of plant and equipment	5	11,575	1,894
Employee benefits	15	2,742,410	2,832,375
Office rental	19	200,944	220,941
Legal & professional fees from related parties	20	-	1,414,704
Provision for expected credit losses	7	177,890	87,499
Unrealised foreign exchange gain		-	(14,570)
Rental income		-	(96,000)

17. INCOME TAX EXPENSE

The major components of income tax expense recognised in profit or loss for the financial period ended 31 March 2020 and 31 March 2019 were:

	2020 S$	2019 S$
Current income tax		
-Current year	1,086,929	1,118,527
-Over provision in respect of prior year	-	(141,531)
Income tax expense recognised in profit or loss	1,086,929	976,996

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial period ended 31 March 2020 and 31 March 2019 were as follows:

	2020 S$	2019 S$
Profit before income tax	6,391,560	6,492,076
Tax at the statutory tax rate at 17% (2019: 17%)	1,086,565	1,103,653
Tax effect on non-deductible expenses	1,968	12,667
Tax effect on non-taxable income	-	(3,609)
Statutory stepped income exemption	(17,425)	(25,925)
Corporate tax rebate		(10,000)
Deferred tax assets not recognised	(13,488)	-
Over provision of tax payable in prior year	-	(141,531)
Others	29,309	41,742
	1,086,929	976,997

18. DIVIDEND

	2020 S$	2019 S$
Interim tax exempt (one-tier) dividend paid of S$18 (2019: S$ 10) per share on the issued and paid up ordinary shares in respect of the current financial year ended 31 March 2020 (2019: year ended 31 March 2019)	9,100,000	5,000,000

19. OPERATING LEASE COMMITMENTS

(a) When the Company is a lessee

The Company leases the office under non-cancellable operating lease agreements.

The future minimum rental payables under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	2019 S$
Not later than one year	227,834
Later than one year but not later than five years	-
	227,834

Minimum leases payments recognised as an expense in profit or loss for the financial year ended 31 March 2020 amounted to S$200,944 (2019: S$220,941) (Note 16).

(b) When the Company is a lessor

The Company sublet the office lot under non-cancellable operating lease agreements.

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as assets, are as follows:

	2019 S$
Not later than one year	96,000
Later than one year but not later than five years	-
	96,000

20. SIGNIFICANT RELATED PARTIES TRANSACTIONS

In addition to information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Company with its related parties, at terms agreed between both parties.

	2020 S$	2019 S$
Transactions with ultimate holding company:		
-Legal and professional fees	-	536,612
-Sub-contractor fee	32,705	-
Transactions with immediate holding company:		
-Legal and professional fees	-	878,092
-Advances to	600,000	-
-GST payment on behalf of	41,879	-
Transactions with fellow subsidiary:		
-Consultancy income	107,692	92,506
-Sub-contractor fee	231,000	287,089
-Recruitment expenses	-	23,907
-Management fees paid to	379,434	-
-Miscellaneous expenses paid on behalf of fellow subsidiary	-	180,000
-Miscellaneous expenses paid on behalf by fellow subsidiary	-	169,147
-Advances to	2,564,400	-
Transactions with subsidiary		
-Consultancy income	38,779	-
Key management personnel compensation		
Director's remuneration & allowance (Note 15)	33,000	410,574

21. LEASES

Company as a lessee

The Company has lease contracts for office premises. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options which are further discussed below.

(a) Carrying amounts of right-of-use assets

	Office premises S$	Total S$
At 1 April 2019	-	-
Additions	1,249,174	1,249,174
At 31 December 2019	1,249,174	1,249,174

(b) Lease liabilities

The carrying amounts of lease liabilities disclosed in Note 11 and the statements of cash flows respectively and the maturity analysis of lease liabilities is disclosed in Note 22(b).

22. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables and loan to the holding company. For other financial assets (including investment securities and cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

22. FINANCIAL RISK MANAGEMENT - CONTINUED

(a) Credit risk - continued

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

22. FINANCIAL RISK MANAGEMENT - CONTINUED

(a) Credit risk - continued

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.
The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Amount is written off

22. FINANCIAL RISK MANAGEMENT - CONTINUED

(a) Credit risk - continued

Trade receivables

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	Not past due S$	≤90 days S$	91-180 days S$	181-270 days S$	271-360 days S$	>360days S$	Total S$
31 March 2020							
ECL rate	0.16%	1.18%	3.67%	7.47%	32.25%	100%	
Estimated total gross carrying amount at default	7,968,442	1,989,884	901,981	398,687	190,576	104,506	11,554,076
ECL	(13,048)	(23,448)	(33,119)	(29,799)	(61,469)	(104,506)	(265,389)
							11,288,687
31 March 2019							
ECL rate	0.07%	0.99%	3.17%	9.78%	35.98%	100%	
Estimated total gross carrying amount at default	8,223,855	2,495,973	384,077	458,369	-	-	11,562,274
ECL	(5,875)	(24,601)	(12,188)	(44,835)	-	-	(87,499)
							11,474,775

22. FINANCIAL RISK MANAGEMENT - CONTINUED

(b) Credit risk - continued

Other receivables including amount due from related parties

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

(b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligation.

	Carrying amount S$	Contractual Cash flows S$	One year or less S$	One to five years
2020				
Financial Assets				
Cash and cash equivalents	5,444,511	5,444,511	5,444,511	-
Trade and other receivables (1)	13,648,052	13,648,052	13,648,052	-
	19,092,563	19,092,563	19,092,563	-
Financial Liabilities				
Lease liabilities (Note 11)	1,249,174	1,249,174	186,152	1,063,022
Trade and other payables (2)	6,457,130	6,457,130	6,457,130	-
	7,706,304	7,706,304	6,643,282	1,063,022
Total net undiscounted financial assets	11,386,259	11,386,259	12,449,281	(1,063,022)

22. FINANCIAL RISK MANAGEMENT - CONTINUED

(b) Liquidity risk - continued

	Carrying amount S$	Contractual Cash flows S$	One year or less S$	One to five years S$
2019				
Financial Assets				
Cash and cash equivalents	10,401,786	10,401,786	10,401,786	-
Trade and other receivables (1)	12,627,203	12,627,203	12,627,203	-
	23,028,989	23,028,989	23,028,989	-
Financial Liabilities				
Trade and other payables (2)	6,209,585	6,209,585	6,209,585	-
	6,209,585	6,209,585	6,209,585	
Total net undiscounted financial assets	16,819,404	16,819,404	16,819,404	-

(1) The trade and other receivables in this note exclude prepayments, advance to employees and contract assets, where applicable.

(2) The trade and other payables in this note exclude GST payable and provision for incentives.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

The Company's exposure to interest rate risk arises primarily from cash and cash equivalents.

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from cash and cash equivalents.

22. FINANCIAL RISK MANAGEMENT - CONTINUED

(c) Market risk - continued

(ii) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily Indian Rupee, United States Dollar, Chinese Yuan and Hong Kong Dollar.

The Company's currency exposures to the foreign currencies at the reporting date were as follows:

2020	Peso S$	United States Dollar S$	Chinese Yuan S$	Hong Kong Dollar S$
Financial Assets:				
Trade and other receivables (1)	221,858	-	-	-
	221,858	-	-	-
Foreign currency exposure	221,858	-	-	-

22. FINANCIAL RISK MANAGEMENT - CONTINUED

(c) Market risk - continued

(iii) Foreign currency risk - continued

2019	Indian Rupee S$	United States Dollar S$	Chinese Yuan S$	Hong Kong Dollar S$
Financial Assets:				
Trade and other receivables (1)	-	375,633	22,352	26,359
	-	375,633	22,352	26,359
Financial Liabilities:				
Trade and other payables (2)	538,820	-	-	-
	538,820	-	-	-
Foreign currency exposure	(538,820)	375,633	22,352	26,359

A 10% strengthening of Singapore dollar against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit after tax 2020 S$	Profit after tax 2019 S$
Indian Rupee	-	(44,722)
United States Dollar	-	31,178
Chinese Yuan	-	1,855
Hong Kong Dollar	-	2,188
Peso	18,414	-

A 10% weakening of Singapore dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

23. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. 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 is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2020 and 31 March 2019.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2019.

24. FAIR VALUES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair value due to the short-term nature of their balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

25. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost were as follows:

	Note	2020 S$	2019 S$
Financial assets measured at amortised cost			
Trade and other receivables (1)	7	13,648,052	12,627,203
Cash and cash equivalents	9	5,444,511	10,401,786
Total Financial assets measured at amortised cost		19,092,563	23,028,989
Financial liabilities measured at amortised cost			
Lease liabilities	11	1,249,174	-
Trade and other payables (2)	12	6,457,130	6,209,585
Total financial liabilities measured at amortised cost		7,706,304	6,209,585

(1) The trade and other receivables in this note exclude prepayments, advance to employees and contract assets, where applicable.

(2) The trade and other payables in this note exclude GST payable and provision for incentives.

26. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on

05 MAY 2020

COMTEL SOLUTIONS PTE LTD

(Co. Reg. No.: 199801439D)

THE ACCOMPANYING SUPPLEMENTARY DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY AND DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

COMTEL SOLUTIONS PTE LTD
(Co. Reg. No.: 199801439D)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Appendix A

	2020 S$	2019 S$
Revenue		
Consultancy income	92,980,815	91,431,412
	92,980,815	91,431,412
Less: Cost of services		
Consultants salaries	77,492,250	74,635,379
CPF contribution	2,159,018	2,645,536
FWL & SDL	742,555	979,852
Medical insurance	274,633	200,383
Recruitment expenses	294,679	341,878
Sub-contractor fee	2,051,860	1,714,147
Travelling expenses - consultants	32,127	15,437
Staff amenities - consultants	36,666	29,360
	(83,083,788)	(80,561,971)
Gross profit	9,897,027	10,869,441
Other income		
Government grant	94,617	199,915
Other income	6,393	84,000
Rental income	-	96,000
Unrealised foreign exchange gain	-	14,570
	101,010	394,485
Other losses		
Provision for expected credit losses	(177,890)	(87,499)
	9,820,147	11,176,427
Less:		
Administrative expenses **(Appendix B)**	(3,428,587)	(4,684,351)
Profit before income tax	6,391,560	6,492,076

COMTEL SOLUTIONS PTE LTD
(Co. Reg. No.: 199801439D)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Appendix B

	2020 S$	2019 S$
Administrative expenses		
Accounting fee	5,730	-
Audit fee	20,000	18,700
Advertisement	228,000	-
Bank charges	10,154	9,755
Business conference and meetings	16,120	-
Cleaning charges	9,554	10,733
Depreciation of plant and equipment	11,575	1,894
Legal & Professional fees	81,723	1,510,491
Licenses	1,009	-
Miscellaneous expenses	538	11,624
Office supplies	9,674	19,097
Postage & Delivery	9,902	10,276
Property tax	3,630	-
Represention Expenses	1,165	-
Office rental	200,944	220,941
Refereshment expenses	-	200
Rental of copier	7,689	3,621
Repair and maintenance	10,127	1,280
Subscription	12,314	11,485
Storage costs	2,436	3,382
Telephone expenses	18,173	12,847
Training expenses	2,149	-
Travelling expenses - Internal	11,945	-
Transport expenses	-	382
Utilities	4,701	5,268
Unrealised foreign exchange adjustments	6,924	-
Salaries and related costs		
Director remuneration & allowance	33,000	410,574
Staff salaries and bonuses	2,600,220	2,264,403
CPF contribution	54,140	87,701
Staff amenities - Internal	55,051	69,697
	3,428,587	4,684,351

COMTELPRO PTE. LIMITED

(Co. Reg. No.: 201715683K)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Joe Tan & Associates PAC
Chartered Accountants

1 Coleman Street #05-16 The Adelphi Singapore 179803
Tel: (65) 6837 0360 Fax: (65) 6837 0369
Email: enquiry@jdt.com.sg website: www.jdt.com.sg
Incorporated with Limited Liability Regn No. 200801266N

COMTELPRO PTE. LIMITED
(Co. Registration No.: 201715683K)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

CONTENTS

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The directors are pleased to present their statement to the member together with the audited financial statements of ComtelPro Pte. Limited. (the "Company") for the financial year ended 31 March 2020.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, having regard to the financial support from the holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors of the Company in office at the date of this statement are:

Lohit Bhatia	(Appointed on 18 December 2019)
Guruprasad Srinivasan	(Appointed on 18 December 2019)
Pallipakkam Ramachandran Sridharan	(Appointed on 31 December 2019)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor any time during the end of the financial year was the Company a party to any arrangement of which the object was to enable the directors of the Company to acquire benefits through the acquisition of shares in or debentures of the Company or any other corporate body.

COMTELPRO PTE. LIMITED.
(Co. Registration No.: 201715683K)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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1. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the Company holding office at the end of the financial year had no interest of the share capital or debentures of the Company or of related corporations as recorded in the Register of Director's Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap 50.

5. SHARES OPTIONS

There were no shares options granted by the Company during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under shares option as at the end of the financial year.

6. INDEPENDENT AUDITORS

The independent auditor, **JOE TAN & ASSOCIATES PAC,** Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

P. R. Sridharan

Pallipakkam Ramachandran Sridharan
Director

GURUPRASAD SRINIVASAN Digitally signed by GURUPRASAD SRINIVASAN Date: 2020.05.07 17:22:36 +05'30'

Guruprasad Srinivasan
Director

Singapore

05 MAY 2020

Joe Tan & Associates PAC
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

COMTELPRO PTE. LIMITED.

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of ComtelPro Pte. Limited., which comprise the statement of financial position of the Company as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2.2 to the financial statements. The Company incurred a net loss of S$447,545 (2019: S$494,165) and a capital deficit of S$1,035,736 (2019: S$588,191) for the financial year ended 31 March 2020. These conditions indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis on the assumption that the shareholders will give financial support to the Company. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement on pages 1 to 2.

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

1 Coleman Street #05-16 The Adelphi Singapore 179803
Tel: (65) 6837 0360 Fax: (65) 6837 0369
Email: enquiry@jdt.com.sg website: www.jdt.com.sg
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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.

Responsibility of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducts in accordance with SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

1 Coleman Street #05-16 The Adelphi Singapore 179803
Tel: (65) 6837 0360 Fax: (65) 6837 0369
Email: enquiry@jdt.com.sg website: www.jdt.com.sg
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- 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 the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Joe Tan & Assoc PAC.

JOE TAN & ASSOCIATES PAC
Public Accountants and
Chartered Accountants

Singapore

05 MAY 2020

1 Coleman Street #05-16 The Adelphi Singapore 179803
Tel: (65) 6837 0360 Fax: (65) 6837 0369
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COMTELPRO PTE. LIMITED.
(Co. Reg. No.: 201715683K)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 S$	2019 S$
ASSETS			
Current assets:			
Trade and other receivables	4	275,922	46,689
Contract assets	5	39,115	82,659
Cash and cash equivalents	6	34,560	95,155
Total current assets		349,597	224,503
TOTAL ASSETS		349,597	224,503
EQUITY AND LIABILITIES			
Equity:			
Share capital	7	200,000	200,000
Accumulated losses		(1,235,736)	(788,191)
Equity attributable to owners of the company		(1,035,736)	(588,191)
Current liabilities:			
Trade and other payables	8	1,385,333	812,694
Total current liabilities		1,385,333	812,694
TOTAL EQUITY AND LIABILITIES		349,597	224,503

The accompanying notes form an integral part of these financial statements.

COMTELPRO PTE. LIMITED.
(Co. Reg. No.: 201715683K)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 S$	2019 S$
Revenue	9	456,071	534,137
Cost of services		(447,145)	(522,486)
Gross Profit		8,926	11,651
Other income	10	-	2,659
Administrative expenses		(456,471)	(508,475)
Loss before income tax	12	(447,545)	(494,165)
Income tax expense	13	-	-
Loss for the year, representing total comprehensive loss for the year		(447,545)	(494,165)

The accompanying notes form an integral part of these financial statements.

COMTELPRO PTE. LIMITED.
(Co. Reg. No.: 201715683K)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Share capital S$	Accumulated losses S$	Total S$
Balance at 1 April 2019	200,000	(788,191)	(588,191)
Loss for the period, representing total comprehensive income for the year	-	(447,545)	(447,545)
Balance at 31 March 2020	200,000	(1,235,736)	(1,035,736)
Balance at 1 April 2018	200,000	(294,026)	(94,026)
Loss for the year, representing total comprehensive loss for the year	-	(494,165)	(494,165)
Balance at 31 March 2019	200,000	(788,191)	(588,191)

The accompanying notes form an integral part of these financial statements.

COMTELPRO PTE. LIMITED.
(Co. Reg. No.: 201715683K)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 S$	2019 S$
Cash flows from operating activities			
Loss before tax		(447,545)	(494,165)
Changes in working capital:			
Trade and other receivables		(229,233)	255,465
Contract assets		43,544	(82,659)
Trade and other payables		572,639	296,407
Net cash used in from operating acivities		(60,595)	(24,952)
Net decrease in cash and cash equivalents		(60,595)	(24,952)
Cash and cash equivalents at the beginning of year		95,155	120,107
Cash and cash equivalents at the end of year	6	34,560	95,155

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The Company is a private company limited by shares, and is incorporated and domiciled in the Republic of Singapore.

The registered office address of the Company is 10 Anson Road #21-07, International Plaza, Singapore 079903.

The principal activities of the Company consist of the provision of consultancy services. There are no significant changes in the nature of these activities during the financial year.

The Company's immediate holding company is Quesscorp Holdings Pte. Ltd., incorporated in Singapore.

The Company's ultimate holding company is Quess Corp Limited, incorporated in India.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements are presented in Singapore dollar and are prepared in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (S$), which is the Company's functional currency. All financial information presented in Singapore Dollar, unless otherwise indicated.

There have been no significant changes in the nature of these activities during the financial year.

2.2 GOING CONCERN

The Company incurred a net loss of S$447,545 (2019: S$494,165) and has capital deficit of S$1,035,736 (2019:S$588,191) for the financial year ended 31 March 2020. The accompanying financial statements have been prepared on a going concern basis on the assumption that the shareholder will provide continuing financial support to enable the Company to meet its liabilities as and when they fall due. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of recovered assets amounts or the amounts and reclassification of liabilities that might be necessary should the Company be unable to operate as a going concern.

The ability of the Company to continue as a going concern is dependent on the undertaking of its ultimate holding company, Quess Corp Limited, to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.2 GOING CONCERN - CONTINUED

If the Company were unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that the assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2.3 ADOPTION OF NEW AND REVISED STANDARDS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2019. Except for the adoption of FRS 116 Leases described below, the adoption of these standards did not have any material effect on the financial performance or position of the Company.

FRS 116 Leases

FRS 116 supersedes FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases-Incentives and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Company adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, comparatives figures are not restated and the cumulative effect of initially applying the standard recognised at the date of initial application has no significant effects and hence are not adjusted to the opening balance of retained earnings. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

However, the adoption of FRS 116 has no effects at the beginning of the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 *Definition of Material*	1 January 2020
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Invesstor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.6 FINANCIAL INSTRUMENTS

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.6 FINANCIAL INSTRUMENTS - CONTINUED

(a) Financial assets - continued

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.7 IMPAIRMENT OF FINANCIAL ASSETS

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.7 IMPAIRMENT OF FINANCIAL ASSETS - CONTINUED

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 -months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.
in a collective assessment of impairment.

2.8 CONTRACT ASSETS, AND TRADE RECEIVABLES

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Section Financial instruments – initial recognition and subsequent measurement.

2.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.10 PROVISIONS

General
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 EMPLOYEE BENEFITS

(a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.12 REVENUE RECOGNITION

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation is satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfies performance obligation.

(a) Rendering of services

The Company is providing employment agencies services.

Revenue from services are recognised when consultancy services have been performed and rendered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.13 TAXES

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.13 TAXES - CONTINUED

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.14 RELATED PARTIES

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Group and Company if that person:
  (i) Has control or joint control over the Company;
  (ii) Has significant influence over the Company; or
  (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions apply:
  (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  (iii) Both entities are joint venture of the same third party.
  (iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
  (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
  (vi) The entity is controlled or jointly controlled by a person identified in (a);
  (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.15 SHARE CAPITAL

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.16 LEASES

These accounting policies are applied before the initial application date of FRS 116, 1 January 2019:

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.17 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could results in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgments made in applying accounting policies

(i) Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period are discussed below. The Company based its assumptions and estimates 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 beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates 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 beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES – CONTINUED

(b) Key sources of estimation uncertainty – continued

(i) Provision for expected credit losses of trade receivables - continued

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 16 (a).

The carrying amounts of the Company's trade receivables as at 31 March 2020 were S$251,507 (2019: S$25,209).

4. TRADE AND OTHER RECEIVABLES

	2020 S$	2019 S$
Trade receivables:		
- Related company	126,337	18,458
- Third parties	128,444	6,751
	254,781	25,209
Less: Allowance for expected credit losses	(3,274)	-
	251,507	25,209
Other receivables:		
- Prepayments	4,415	1,480
- Deposits	20,000	20,000
	275,922	46,689

Trade receivables are non-interests bearing and are generally on 30 (2019: 30) days' term.

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2020 S$	2019 S$
At 1 April	-	-
Provision for expected credit losses	3,274	-
At 31 March	3,274	-

Other receivables are non-trade in nature, unsecured, interest-free and have no fixed term of repayment.

5. CONTRACT ASSETS

The contract assets primarily relate to the Company's right to consideration for work completed and not billed, as the rights are conditioned on the Company's future performance in satisfying the respective performance obligation at each reporting date.

The following table show the contract assets:

	2020 S$	2019 S$
Contract assets	39,115	82,659

6. CASH AND CASH EQUIVALENTS

	2020 S$	2019 S$
Cash at bank	34,560	95,155

7. SHARE CAPITAL

	2020		2019	
	No. of shares	S$	No. of shares	S$
Issued and fully paid ordinary shares				
At beginning and end of the year	200,000	200,000	200,000	200,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meeting. All shares rank equally with regards to the Company's residual assets.

8. TRADE AND OTHER PAYABLES

	2020 S$	2019 S$
Trade payables:		
- Related company	-	335,121
Other payables:		
- Salaries, CPF and FWL payables	48,138	21,416
- Accruals	6,400	31,307
- Amount due to related company (non-trade)	1,322,435	420,469
- GST payables	8,360	4,381
	1,385,333	812,694

8. TRADE AND OTHER PAYABLES - CONTINUED

Trade payables are unsecured and are normally settled on 30 to 90 (2019: 30 to 90) days' term.

The amount due to related party are non-trade in nature, unsecured, interest-free and repayment on demand.

9. REVENUE

	2020 S$	2019 S$
Consultancy services rendered	456,071	534,137

10. OTHER INCOME

	2020 S$	2019 S$
Government grants	-	2,659

11. EMPLOYEE BENEFITS

	2020 S$	2019 S$
Staff costs:		
- Salaries and bonuses	432,143	734,370
- CPF contribution	35,038	62,938
- Incentives	12,949	-
	480,130	797,308

12. LOSS BEFORE INCOME TAX

	2020 S$	2019 S$
Profit before taxation has been arrived at after charging:		
Employee benefits (Note 11)	480,130	797,308
Office rental (Note 14)	-	96,000
Legal & professional fees	584	6,722

13. INCOME TAX EXPENSE

The major components of income tax expense recognised in profit or loss for the financial period ended 31 March 2020 and 31 March 2019 were:

	2020 S$	2019 S$
Income tax	-	-
Deferred tax	-	-
	-	-

Relationship between tax expense and accounting loss

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial year ended 31 March 2020 and 31 March 2019 were:

	2020 S$	2019 S$
Loss before income tax	(447,545)	(494,165)
Tax at the statutory tax rate at 17% (2019: 17%)	(76,082)	(84,008)
Tax effect on non-deductible expenses	5	221
Deferred tax asset not recognised	76,077	83,787
	-	-

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Company has unrecognised tax losses of S$1,233,891 (2019:S$786,376) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements.

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Company with related parties, at terms agreed between the parties:

	2020 S$	2019 S$
Transactions with fellow subsidiary:		
-Consultancy income	277,636	287,089
-Rental expense	-	96,000
-Sub-contractor fee	167,841	92,506
-Management fees paid to	231,000	-
-Advances from related party	2,350,000	-

15. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables and contract assets. For other financial assets (including investment securities and cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor

15. FINANCIAL RISK MANAGEMENT – CONTINUED

(a) Credit risk - continued

- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	**Definition of category**	**Basis for recognising expected credit loss (ECL)**
I	Counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the assets is credit-impaired (in default)	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Amount is written off

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

15. FINANCIAL RISK MANAGEMENT – CONTINUED

(a) Credit risk - continued

	Not past due S$	Trade receivables days past due 1 to 90 days S$	91 to 180 days S$	181 to 270 days	Total
2020					
ECL rate	0%	1.41%	3.77%	11.11%	
Estimated total gross carrying amount at default	82,323	10,734	11,017	24,370	
ECL	-	151	415	2,708	3,274

Information regarding loss allowance movement of trade receivables is disclosed in Note 4.

(b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company. Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligation.

	Carrying amount S$	Contractual Cash flows S$	One year or less S$
2020			
Financial Assets			
Cash and cash equivalents	34,560	34,560	34,560
Trade and other receivables (1)	271,507	271,507	271,507
	306,067	306,067	306,067
Financial Liabilities			
Trade and other payables (2)	1,376,973	1,376,973	1,376,973
	1,376,973	1,376,973	1,376,973
Total net undiscounted financial liabilities	(1,070,906)	(1,070,906)	(1,070,906)

15. FINANCIAL RISK MANAGEMENT – CONTINUED

(b) Liquidity risk - continued

2019	Carrying amount S$	Contractual Cash flows S$	One year or less S$
Financial Assets			
Cash and cash equivalents	95,155	95,155	95,155
Trade and other receivables (1)	45,209	45,209	45,209
	140,364	140,364	140,364
Financial Liabilities			
Trade and other payables (2)	808,313	808,313	808,313
	808,313	808,313	808,313
Total net undiscounted financial assets	(667,951)	(667,951)	(667,951)

(1) The trade and other receivables in this note exclude prepayments and unbilled revenue, where applicable.

(2) The trade and other payables in this note exclude GST payable.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from cash and cash equivalents.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest-bearing financial instruments at the end of the financial year.

At the reporting date, if the interest rates had been 50 basis points higher/lower with all other variables held constant, the Company's profit before tax would have been S$Nil higher/lower as the Company has no floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(ii) Foreign currency risk

The Company is not exposed to foreign currency risk as it has no transactions denominated in foreign currencies

16. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. 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 is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2020.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 31 March 2019.

17. FAIR VALUES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair value due to the short-term nature of their balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

18. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	Note	2020 S$	2019 S$
Financial assets measured at amortised cost			
Trade and other receivables (1)	4	271,507	45,209
Cash and cash equivalents	6	34,560	95,155
Total Financial assets measured at amortised cost		306,067	140,364
Financial liabilities measured at amortised cost			
Trade and other payables (2)	8	1,376,973	808,313
Total financial liabilities measured at amortised cost		1,376,973	808,313

(1) The trade and other receivables in this note exclude prepayments and unbilled revenue, where applicable.
(2) The trade and other payables in this note exclude GST payable.

19. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on

COMTELPRO PTE. LIMITED.
(Co. Reg. No 201715683K)

THE ACCOMPANYING SUPPLEMENTARY DETAILED STATEMENT OF

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY

AND DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

COMTELPRO PTE. LIMITED.
(Co. Reg. No.: 201715683K)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Appendix A

	2020 S$	2019 S$
Revenue		
Consultancy income	456,071	534,137
Less: Cost of services		
Consultants' salaries	252,189	388,085
CPF contribution	16,641	27,635
FWL & SDL	1,950	5,815
Recruitment expenses	8,524	8,445
Sub-contractor fees	167,841	92,506
	(447,145)	(522,486)
Gross profit	8,926	11,651
Other income		
Government grant	-	2,659
	-	2,659
Less:		
Administrative expenses **(Appendix B)**	(456,471)	(508,475)
Loss before income tax	(447,545)	(494,165)

COMTELPRO PTE. LIMITED.
(Co. Reg. No.: 201715683K)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Appendix B

	2020 S$	2019 S$
Administrative expenses		
Accounting fees	3,620	-
Audit fees	6,400	3,650
Advertisement	-	23,651
Bad debts	3,274	-
Bank charges	561	-
Gift to customers/ corporate	-	513
Legal & Professional Fees	584	3,072
Management fee	231,000	-
Penalty	15	-
Rent of office premises	-	96,000
Staff costs:		
Incentives	12,949	-
Staff salaries	179,954	346,285
Staff CPF contribution	18,114	35,304
	456,471	508,475

COMPANY NO.

938724	A

COMTELINK SDN. BHD.
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2020**

COMPANY NO.

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COMTELINK SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2020

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COMTELINK SDN. BHD.
(Incorporated in Malaysia)

CORPORATE INFORMATION

BOARD OF DIRECTORS

SRI SHANTINI A/P BALAKRISHNAN
VIVEK ARORA

PRINCIPAL PLACE OF BUSINESS

SUITE 4.01, 4TH FLOOR MENARA RAI SURAI,
JALAN 15/48A,
SENTUL RAYA BOULEVARD,
51000 KUALA LUMPUR.

PRINCIPAL BANKER

UNITED OVERSEAS BANK (MALAYSIA) BHD

REGISTERED OFFICE

SUITE 11, 1ST FLOOR, MENARA TKSS ,
NO. 206 JALAN SEGAMBUT,
51200 KUALA LUMPUR.

AUDITORS

SELVA & ASSOCIATES
CHARTERED ACCOUNTANTS (MALAYSIA)
A MEMBER FIRM OF THE MALAYSIAN INSTITUTE OF ACCOUNTANTS

COMTELINK SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report together with the audited financial statements of the Company for the financial year ended 31st March, 2020.

PRINCIPAL ACTIVITY

The Company is principally engaged in the business of software development, hardware and technical infrastructure maintenance and support, e-commerce and mobile commerce development. There has no significant change in the principal activity during the year.

FINANCIAL RESULTS

Net profit for the financial year	RM 357,544

SHARE CAPITAL

There were no changes in the issued and paid up capital of the Company during the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no issue of new shares or debentures during the financial year.

DIVIDENDS

No dividend has been paid, declared or proposed by the Company since the previous financial year and the Directors do not recommend any dividend in respect of the current financial year ended 31st March, 2020.

DIRECTORS' REMUNERATION

No directors' fees or remuneration was paid out during the year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Company were prepared, the directors took reasonable steps :

(i) to ascertain that proper action had been taken in relation to the writing off the bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances :

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

(ii) which would render the values attributed to the current assets in the financial statements of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist :

(i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person ; or

(ii) any contingent liability of the Company which has arisen since the end of the financial year.

(d) No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company to meet its obligation when they fall due.

(e) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the directors :

(i) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature ; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

Details of the auditors' remuneration are set out in Note 11 to the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities been given or insurance premium paid, during or since the end of the year, for any person who is or has been the director, officer or auditor of the Company.

DIRECTORS' SHAREHOLDINGS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are :

Sri Shantini a/p Balakrishnan
Vivek Arora

COMPANY NO.

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According to the Register of Directors' Shareholding required to be kept under Section 59 of the Companies Act 2016, none of the directors who held office at the end of the financial year held any share or debentures in the Company during the financial year except as follows :-

	Number of ordinary shares			
	As at 01.04.2019	Bought	Sold	As at 31.03.2020
Gopal Vasudev	-	-	-	-
Sri Shantini a/p Balakrishnan	-	-	-	-

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than the benefits shown under directors' remuneration) by reason of a contract made by the Company or by a related corporation with the director or with a firm of which the director is a member, or with a company on which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

HOLDING COMPANY

The Holding Company, Comtel Solutions Pte Ltd. holds 100% share equity in the Company.

AUDITORS

The Auditors, SELVA & ASSOCIATES, Chartered Accountants, have expressed their willingness to accept re-appointment as auditors.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

CERTIFIED TRUE COPY

....

Vivek Arora
Director

NOTARY PUBLIC
Arivanantham
s/o Krishnan
N2020/0009
1 Apr 2020 – 31 Mar 2021
SINGAPORE

Singapore
Dated:

COMPANY NO.

938724	A

COMTELINK SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
(Pursuant to Section 251(2) of the Companies Act, 2016)

I, the undersigned, being the Directors of **COMTELINK SDN. BHD.**, do hereby state that, in the opinion of the board of Directors, the accompanying financial statements together with the notes attached thereto are drawn up in accordance with the Malaysian Private Entities Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 31st March 2020 and of its results and cash flows for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

....

Vivek Arora
Director

Singapore
Dated:

STATUTORY DECLARATION
(Pursuant to Section 251(1)(b) of the Companies Act, 2016)

I, Vivek Arora (Passport: Z3842036), being the Director primarily responsible for the financial management of **COMTELINK SDN. BHD.**, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements together with the notes attached thereto are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960. Subscribed and solemnly declared by the above named Vivek Arora at Singapore on this

Before me :

CERTIFIED TRUE COPY

....

COMMISSIONER FOR OATHS

NOTARY PUBLIC
Arivanantham s/o Krishnan
N2020/0009
1 Apr 2020 - 31 Mar 2021
SINGAPORE

....

Vivek Arora

SELVA & ASSOCIATES (AF 1871)
CHARTERED ACCOUNTANTS
Firma Akauntan Bertauliah

A Member Firm of the Malaysian Institute of Accountants(MIA)
Website: www.selva-associates.com Email: selva@selva-associates.com

Suite 301, 3rd Floor, Block A4,
Leisure Commerce Square,
No.9 Jalan PJS 8/9
46150 Petaling Jaya,
Selangor Darul Ehsan,
Tel: 03 7490 2155
Fax: 03 7865 3414

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMTELINK SDN. BHD.
(COMPANY NO: 938724 - A)

Report on the Financial Statements

We have audited the financial statements of **COMTELINK SDN. BHD.**, which comprise the statement of financial position as at 31st March, 2020 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 24.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2020, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirement of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws) and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company 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 no material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that and audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatement 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 approved standards on auditing in Malaysia and International Standards on Auditing, 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 of the Company, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' 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 of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SELVA & ASSOCIATES
(No.AF: 001871)
Chartered Accountants

SELVA RASAN
C.A.(M),CTP,CFP,CPFA(UK),ASA(Aust),MIPA(Aust),
B.Acc(Hons)UKM,Dip.Acc.
No.02390/08/2020 J

Petaling Jaya, Malaysia
Dated:

938724	A

COMTELINK SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2020

	NOTE	2020 RM	2019 RM
CURRENT ASSETS			
Trade and other receivables	7	812,445	399,614
Tax recoverable		1,000	4,750
Cash and cash equivalent	8	1,059,552	797,504
		1,872,997	1,201,868
TOTAL ASSETS		1,872,997	1,201,868
EQUITY AND LIABILITIES			
Capital and Reserves			
Contributed share capital	9	1,000,000	1,000,000
Retained earnings	10	522,245	164,701
		1,522,245	1,164,701
CURRENT LIABILITIES			
Other payables and accruals	11	275,843	39,167
Provision for taxation		74,909	-
		350,752	39,167
TOTAL EQUITY AND LIABILITIES		1,872,997	1,203,868

The annexed notes form an integral part of these financial statements.

COMTELINK SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF INCOME AND RETAINED PROFITS FOR THE YEAR ENDED 31ST MARCH 2020

	NOTE	2020 RM	2019 RM
Revenue	12	1,779,364	1,488,763
Less : Direct expenses		(1,102,616)	(1,156,659)
Gross profit		676,748	332,104
Staff cost		(223,361)	(177,219)
Administrative and other operating expenses		(22,422)	(19,850)
Profit before operations		430,965	135,035
Finance cost		(189)	(1,256)
Profit before tax	13	430,776	133,779
Tax expense	14	(73,232)	(24,000)
Profit after tax for the year		357,544	109,779
Retained profits brought forward		164,701	54,922
Available for appropriations		522,245	164,701
Dividend paid		-	-
Retained profit carrid forward		522,245	164,701

The annexed notes form an integral part of these financial statements.

COMTELINK SDN. BHD.
(Incorporated in Malaysia)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

	2020	2019
	RM	RM
Cash flow from operating activities		
Profit before tax	430,776	133,779
Operating profit before working capital changes	430,776	133,779
(Increase)/decrease in working capital:		
Trade and other receivables	(412,831)	5,468
Other payables and accruals	236,676	(110,054)
Cash generated from operating activities	254,621	29,193
Tax refund	7,427	-
Tax paid	-	(13,000)
Net cash generated from operating activities	262,048	16,193
Net change in cash and cash equivalents	262,048	16,193
Cash and cash equivalents at 1st April	797,504	781,311
Cash and cash equivalents at 31st March	1,059,552	797,504

The annexed notes form an integral part of these financial statements.

COMTELINK SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2020

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Company is principally engaged in the business of software development, hardware and technical infrastructure maintenance and support, e-commerce and mobile commerce development. There has no significant change in the principal activity during the year.

The financial statements are stated in Ringgit Malaysia.

The Company's registered office is at Suite 11, 1st Floor, Menara TKSS, No. 206 Jalan Segambut, 51200 Kuala Lumpur.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in compliance with the Malaysian Private Entities Reporting Standards (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Malaysian Companies Act 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

4.1) Property, Plant and Equipment (PPE)

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purpose or for rental to others are recognised as property, plant and equipment when the Company obtains control of the assets. The assets are classified into appropriate classes based on their nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old.

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the assets to its present location and condition for management's intended use.

At the end of each reporting period, the residual values, useful life and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimated of the an item is adjusted prospectively over its remaining useful life, commencing in the current period. Gain or loss arising from disposal of property, plant and equipment is determined and recognized in the income statement.

4.2) **Impairment of non-financial assets**

An impartment loss arises when the carrying amount of a Company's asset exceeds its recoverable amount.
At the end of each reporting date, the Company assess whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exits, the Company estimates the recoverable amount of the asset or cash-generating unit.

If an individual asset generates independent cash inflows, it is tasted for impairment as a stand alone asset. If an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and value in use. The Company determines the fair value costs to sell an asset or a cash-generating unit in a hierarchy based on: (i) price in a binding sale agreement; (ii) market price traded in a active market; and (iii) estimate of market price using the best available information. The value in use is estimated by discounting the net cash inflows (by an appropriate discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecasts of five years and extrapolation of cash inflows for periods beyond the five year forecast or budget.

For an asset measured on a cost-based model, any impairment loss is recognised in profit or loss.For a cash-generating unit, any impairment loss is allocated to the assets of the unit pro rata based on the relative carrying amount of the assets.

The Company reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed. Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

4.3) **Financial instruments**

a) **Initial recognition and measurement**
The Company recognizes a financial asset or financial liability (including derivate instruments) in the statement of financial position when, and only when, it become a party to a contractual provision of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit and loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit and loss when incurred.

b) **Derecognition of Financial Instruments**
The financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive cash flows of the financial assets, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risk and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legal extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as en extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more when compared with the carrying amount of the original liability.

c) **Subsequent Measurement of Financial Assets**
For the purpose of subsequent measurement, the Company classified financial asset into two categories namely; (i) financial assets at fair value through profit and loss and (ii) financial assets at amotised cost.

d) **Subsequent Measurement of Financial Liabilities**
After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

e) **Fair value measurement of financial instruments**
The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

f) **Recognition of gains and losses**
Fair value changes of financial assets and financial liabilities classified as at fair value through profit and loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain and loss is recognised in profit or loss only when the financial asset or financial liability is derecognized or impaired, and through the amortization process of the instrument.

g) **Impairment and uncollectibility of financial assets**

At the end of each reporting period, the Company examines whether there is any objective evidence that a financial asset or a group of financial asset is impaired. Evidences of trigger loss events include: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payments; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other financial reorganization; (v) the disappearance of an active market for that financial assets because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimate future cash flows from a group of financial assets.

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in a loss allowance account, Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the loss allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is an any indication of impairment. Individually significant receivables for which no impairment loss recognised are grouped together with all other receivables by classes based on credit risk characteristics for a class group based on the Company's experience of loss ratio in each class, taking into consideration current market conditions.

For an unquoted equity investment measured at cost less impairment, the impairment is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company expects to receive for the asset if it were sold at the reporting date. The Company may estimate the recoverable amount using an adjusted net asset value approach.

4.4) Share capital and distributions

a) Share Capital

Ordinary shares issued that carry no put option and no mandatory contractual obligation; (i) to deliver cash or another financial assets; or (ii) to exchange financial assets of financial liabilities with another entity under conditions that are potentially unfavorable to the Company, are classified as equity instruments.

When ordinary shares and other equity instruments are issued in a private placement or in a rights issue to existing shareholders, they are recorded at the issue price. For ordinary shares and other equity instruments issued in exchange for non-monetary asset, they are measured by reference to the fair values of the assets received.

When ordinary shares and other equity instruments are issued as consideration transferred in a business combination or as settlement of an existing financial liability, they are measured at their fair value at the date of the exchange transaction.

Transaction costs of an entity transaction are accounted for as a deduction from equity, net of any related income tax effect.

b) **Distributions**

Distributions to holders of an equity instrument are recognised as equity transactions and are debited directly in equity, net of any related income tax effect.

A dividend declared is recognised as a liability only after it has been appropriately authorised, which is the date when the Board of Directors declares an interim dividend, or in the case of a proposes final dividend, the date of shareholders of the Company approve the proposed final dividend in an annual general meeting of shareholders. For a distribution of non-cash assets to owners, the Company measures the dividend payable at the fair value of the assets to be distributed.

4.5) **Finance and operating leases**

The Company recognizes a lease whenever there is an agreement, whether explicitly stated as a lease or otherwise, whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Title may or may not eventually be transferred. All other leases that do not meet this criterion are classified as operating leases.

Lease accounting

The Company capitalises the underlying leased asset and the related lease liability in a finance lease. The amount recognised at the commencement date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate is used. Any initial direct costs of the lease are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contigent rents are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are classified by nature and accounted for in accordance with the applicable Standards in MPERS. If there is no reasonable certainty that the lease will obtain ownership by the end the lease term, the asset is depreciated over the shorter of the lease term and its useful life.

4.6) **Provision**

The Company recognizes a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.

A provision for warranty costs, restoration costs, restructuring costs, onerous contracts or lawsuits claims is recognised when the Company has a present legal or constructive obligation as a result of a past event, and of which the outflows of resources on settlement are probable and a reliable estimate of the amount can be made. No provision is recognised if these condition are not met.
Any reimbursement attributable to a recognised provision from a counter-party (such as an insurer) is not off-set against the provision but recognised separately as an asset when, and only when, the reimbursement is virtually certain.

A provision is measured at the best estimate of he expenditure required to settle the present obligation at the end of the reporting period. For a warranty provision, a probability-weighted expected outcome of the resources required to settle the obligation is applied, taking into account the Company's experiences of similar transactions and supplemented with current facts and circumstances. For a restoration provision, where a single obligation is being measured, the Company uses the individual most likely future events that may effect the amount required to settle an obligation. For an onerous contract, a provision is measured based on the amount which costs to fulfill the contract exceed the benefits. For a lawsuit provision, a probability-weighted expected outcome is applied in the measurement, taking into account past court judements made in similar cases and advices of legal experts.

A provision is measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. The unwinding of the discount is recognised as an interest expense.

4.7) **Tax assets and tax liabilities**

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the Company expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affect neither accounting profit nor taxable profit (or tax loss). The exceptions for initial recognition differences include items of property, plant and equipment that do not qualify for capital allowances and acquired intangible assets that are not deductible for tax purpose.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deffered tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affect neither accounting profit nor taxable profit (or tax loss). The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying property, plant and equipment.

A deferred tax asset is recognised for the carrying-forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credit can be utilised. Unused tax credit do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Company treats as part of initial recognition differences.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. For an investment property measured at fair value, the Company does not have a business model to hold the property solely for rental income, and hence, the deferred tax liability on the fair value gain is measured based on the presumption that the property is recovered through sale at the end of the reporting period.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period. For items recognised directly in equity, the related tax effect is also recognised directly in equity.

4.8) Revenue recognition and measurement

The Company measures revenue from a sale of goods or a service transaction at the fair value of the consideration received or receivable, which is usually the invoice print, net of any trade discounts and volume rebates given to a customer in a sale or sevice transaction. Revenue from a sale of goods is recognised when: (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; (b) the Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold; (c) the amount of the revenue can be measured reliably; (d) it is probable that the economic benefits associated with the transaction will flow to the Company; and (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income is recognised on the straight-line basis over the term of the relevant tenancy agreement. Interest received is recognised when the right to receive has been established. Other income is recognized on a receipt basis.

4.9) Borrowing Costs

Borrowing costs of the Company include interest on loans, finance lease liabilities and interest expense of other debt instruments calculated using the effective interest method. All borrowing costs are recognised as an expense when incurred.

4.10) Employee Benefits

The Company recognizes a liability when an employee has provided service in exchange for the employee benefits to be paid in the future and an expense when the Company consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.

(a) Short-term Employee Benefits

Wages and salaries are accrued and paid on a monthly basis and recognised as an expense, unless they relate to cost of producing inventories or other assets.

Paid absences (annual leave, maternity leave, paternity leave, sick leave, etc) are accrued in each period if they are accumulating paid absences that can be carried forward, or in the case of non-accumulating paid absences, recognised as and when the absences occur.

(b) Post-Employment Benefits – Defined Contributions Plans

The Company makes statutory contributions to approved provident funds and the contributions made are charged to profit and loss in the period to which they relate. When the contributions have been paid, the Company has no further payment obligations.

4.11) **Goods and Service Tax**

Goods and Service Tax ("GST") is consumption tax based on value added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate of 6%. Input GST that the Company paid on purchase of business inputs can be deducted from output GST.

Revenues, expenses and assets are recognized net of the amount of GST except :-

- Where the GST incurred in a purchase of assets or services is not recoverable from the authority, in which case the GST is rcognised as part of the cost of acquisition of the assets or as part of the expenses item as applicable; and

- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

5. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

6. FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its risks. The Company operates within guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.
The main areas of financial risks faced by the Company and the policies in respect of the major areas of treasury activities are set out as follows:-

a) **Interest Rate Risk**

If interest rate arises from the Company's borrowings, this is managed through the use of fixed and floating rate debt.

b) **Credit Risk**

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. An internal credit review is conducted if the credit risk is material.

c) **Liquidity Risk**

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

d) **Cash Flow Risk**

The Company reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flow as associated with its monetary financial instruments.

e) **Fair Value**

All items pertaining to non-current assets, financial assets, financial liabilities and other assets may be subjected to fair value practice in the event if it does not give arise to undue cost and effort.

f) **Currency Risk**

In the event, the Company's financial assets and financial liability are denominated in foreign currency, the Company ensures proper policies in place to mitigate significant fluctuation.

g) **Price Risk**

The Company does not foresee significant pricing fluctuations. In the event this occurs the Company ensures proper controls and safe guards.

7. TRADE AND OTHER RECEIVABLES

	2020 RM	2019 RM
Trade receivables	575,371	309,760
Other receivable	237,074	89,854
	812,445	399,614

8. CASH AND CASH EQUIVALENTS

The Company's cash management policy is to use cash and bank balances, money market instruments, bank overdrafts and short-term trade financings to manage cash flows to ensure sufficient liquidity to meet the Company's obligations. The components of cash and equivalent consist of:

	2020 RM	2019 RM
Cash at bank	1,059,552	797,504
	1,059,552	797,504

9. CONTRIBUTED SHARE CAPITAL

	2020 No. of shares	2020 Amount	2019 No. of shares	2019 Amount
Issued and fully paid-up ordinary shares:				
Balance at 1st April	1,000,000	1,000,000	1,000,000	1,000,000
Issue of shares for cash	-	-	-	-
Balance at 31st Mac	1,000,000	1,000,000	1,000,000	1,000,000

10. RETAINED PROFITS

The retained profits of the Company are available for distribution by way of cash dividend or dividend in specie. Under the single-tier system of taxation, dividends payable to shareholders are deemed net of income taxes. There are no potential income tax consequences that would result from the payment of dividends to shareholders.

11. OTHER PAYABLES AND ACCRUALS

	2020 RM	2019 RM
Other creditor	157,218	23,667
Accruals	118,625	15,500
	275,843	39,167

12. REVENUE

Revenue represents invoiced value from software and e-commerce consultancy rendered during the year.

13. PROFIT BEFORE TAX

	2020 RM	2019 RM
Profit before tax is arrived at after charging:		
Auditor's remuneration	6,200	6,000

14. INCOME TAX EXPENSES

	2020 RM	2019 RM
Current year provision	73,232	24,000
	73,232	24,000

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to the income tax expense at the effective income tax rate of the Company is as follows:

	2020 RM	2019 RM
Profit before tax	430,776	133,779
Tax at Malaysian statutory tax rate of 17%	73,232	22,742
Expenses not allowable for tax purpose	-	-
Tax penalty	-	392
Others	-	866
Tax expenses for the year	73,232	24,000

15. HOLDING COMPANY

Details of the holding company are as follows:-

Company Name	Country of incorporation	Equity	Principal Activity
Comtel Solutions Pte Ltd	Singapore	100%	Investment holding company

16. EMPLOYEES' INFORMATION

The number of employees (including directors) as at 31st March, 2020 is 25.(2019:17)

17. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

Lodged by: **AVEREST MANAGEMENT SERVICES (001875127-T)**
Suite 11, 1st Floor, Menara TKSS,
No. 206 Jalan Segambut,
51200 KualaLumpur.
Tel : 603-6258 5877 Fax : 603-6257 0777
Mobile : 012-212 9344 / 016-218 1256
Email : averestms@yahoo.co.uk / raj@averestgroup.com

COMPANY NO.

938724	A

FOR MANAGEMENT PURPOSE ONLY

COMTELINK SDN. BHD.

(Incorporated in Malaysia)

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

		2020	2019
		RM	RM
	Revenue	1,779,364	1,488,763
Less:	Direct expenses	(1,102,616)	(1,156,659)
	Gross Profit	676,748	332,104
Less:	<u>Staff cost</u>		
	EPF and Socso contribution	198,854	155,319
	Staff insurance	24,507	21,900
		223,361	177,219
	Administrative and other operating expenses as per schedule (Annexure 1)	22,422	19,850
	<u>Finance cost</u>		
	Bank charges	189	1,256
		189	1,256
	Total expenditure	245,972	198,325
	Profit before tax	430,776	133,779

COMPANY NO.

938724	A

ANNEXURE 1

COMTELINK SDN. BHD.
(Incorporated in Malaysia)

SCHEDULE OF OPERATING EXPENSES FOR THE YEAR ENDED 31ST MARCH 2020

	2020 RM	2019 RM
Administrative and other operating expenses		
Attestation fee	-	55
Auditor's remuneration	6,200	6,000
Fine and penalty	556	-
Loss on foreign exchange	3,835	-
Postage and courier	2,252	30
Printing and stationery	-	165
Professional fee	311	3,347
Recruitment fee	-	6,519
Secretarial fee	9,268	1,884
Tax submission fee	-	1,800
Travelling expenses	-	50
	22,422	19,850

Consolidated Financial Statements
(In Accordance with Group Accounting Policies)

MFXCHANGE HOLDINGS, INC.

For The Years Ended March 31, 2020 and 2019

MFXCHANGE HOLDINGS, INC.
FINANCIAL STATEMENTS

INDEX

LIGGETT & WEBB P.A.
CERTIFIED PUBLIC ACCOUNTANTS

307 7th Avenue, Suite 1601
New York, NY 10001 / (212) 481-3490

1901 South Congress Avenue, Suite 110
Boynton Beach, FL 33426 / (561) 752-1721

Independent Auditor's Report on Special Purpose Financial Information Prepared for Consolidation Purposes

Deloitte Haskins & Sells LLP

As requested in your instructions Quess Corp Limited Audit for the year ended March 31, 2020 Referral Instructions for our audit of MFXchange Holdings, Inc. we have audited, for purposes of your audit of the consolidated financial statements of Quess Corp Limited (the "Group"), the consolidated financial statements of MFXchange Holdings, Inc. ("the Company") as of March 31, 2020 and 2019 and for the years then ended. This special purpose financial information has been prepared solely to enable Quess Corp Limited to prepare its consolidated financial statements.

Management's Responsibility for the Special Purpose Financial Information

Management is responsible for this special purpose financial information in accordance with the instructions issued by Quess Corp Limited's management and as per the accounting policies of Quess Corp Limited, and for such internal control as management determines is necessary to enable the preparation of special purpose financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this special purpose financial information based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. As requested, our audit procedures also included the additional procedures identified in your instructions. Auditing standards generally accepted in the United States of America require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the special purpose financial information is free from material misstatement. As requested by you, we planned and performed our audits using the materiality level specified in your instructions, which is different than the materiality level that we would have used had we been designing the audits to express an opinion on the special purpose financial information of the component alone.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the special purpose financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The conclusions reached in forming our opinion are based on the component materiality level specified by you in the context of the audit of the consolidated financial statements of the group.

Opinion

In our opinion, the accompanying special purpose financial information for MFXchange Holdings, Inc. and its subsidiaries as of March 31, 2020 and 2019 and for the years then ended has been prepared, in all material respects, in accordance with the instructions issued by Quess Corp Limited's management and as per the accounting policies of Quess Corp Limited.

LIGGETT
& WEBB P.A.
CERTIFIED PUBLIC ACCOUNTANTS

307 7th Avenue, Suite 1601
New York, NY 10001 / (212) 481-3490

1901 South Congress Avenue, Suite 110
Boynton Beach, FL 33426 / (561) 752-1721

Restriction on Use and Distribution

This special purpose financial information has been prepared for purposes of providing information to Quess Corp Limited to enable it to prepare the consolidated financial statements of the group. As a result, the special purpose financial information is not a complete set of financial statements of MFXchange Holdings, Inc. and its subsidiaries in accordance with accounting principles generally accepted in the United States of America and is not intended to give a true and fair view of financial statements, in all material respects, the financial position of MFXchange Holdings, Inc. and its subsidiaries as of March 31, 2020 and 2019, and of its financial performance, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. The special purpose financial information may, therefore, not be suitable for another purpose.

This report is intended solely for Deloitte Haskins & Sells LLP and should not be used by (or distributed to) other parties.

Liggett & Webb P.A.

New York, New York
May 22, 2020

MFXCHANGE HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2020 AND 2019

	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,700,318	$ 1,848,968
Accounts receivable, net	3,213,175	2,366,736
Unbilled revenue	1,349,648	1,885,898
Prepaid expenses	1,406,394	1,454,102
Loan receivable related party, current portion	6,804,405	850,000
Total current assets	15,473,940	8,405,704
Property and equipment, net	1,007,239	2,405,527
Right-to-use assets, net	2,035,475	-
Software costs, net	761,652	935,756
Loan receivable related party, long-term portion	1,282,854	-
Investment in unconsolidated subsidiary	2,690,101	-
Other assets	727,825	569,648
Total assets	$ 23,979,086	$ 12,316,635
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 4,734,650	$ 5,495,108
Accrued expenses	3,916,027	5,980,290
Deferred revenue	2,281,727	942,781
Capital lease, current portion	913,878	2,309,764
Lease liability, current portion	1,223,914	-
Term loan & working capital facility, current portion	7,799,867	-
Line of credit	-	4,000,000
Loan payable related party	-	3,478,680
Total current liabilities	20,870,063	22,206,623
Term loan facility, long term portion	4,514,221	-
Lease liability, long term portion	919,822	-
Capital lease, long term portion	257,391	879,899
Total liabilities	26,561,497	23,086,522
Commitments and Contingencies (see Note 13)	-	-
Class A redeemable preferred stock, unlimited shares authorized, 1 share issued and outstanding at March 31, 2020 and 2019, respectively	7,123	7,123
Class B redeemable preferred stock, unlimited shares authorized, 1 and 0 shares issued and outstanding at March 31, 2020 and 2019, respectively	2,690,101	-
Redeemable noncontrolling interest	3,551,412	-
Stockholders' deficit:		
Common stock, unlimited authorized 1,095 shares issued and outstanding	229,050	229,050
Additional paid-in capital	37,019,210	37,019,210
Accumulated deficit	(46,079,307)	(48,025,270)
Total stockholders' deficit	(8,831,047)	(10,777,010)
Total liabilities and stockholders' deficit	$ 23,979,086	$ 12,316,635

See the accompanying notes to the consolidated financial statements.

MFXCHANGE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	2020	2019
Revenue, net	$ 33,441,266	$ 35,861,320
Operating costs:		
Salaries and related benefits	10,273,343	11,809,965
Outside services	10,242,055	12,873,810
Hardware and software costs	5,835,452	6,254,966
Depreciation and amortization	2,054,040	1,977,519
General and administrative	1,897,244	2,029,267
Facility costs	1,103,080	1,124,854
Total operating expenses	31,405,214	36,070,381
Income (loss) from operations	2,036,052	(209,061)
Other income (expense):		
Financing expenses, net	(68,489)	(379,457)
Income (loss) before provision for income taxes	1,967,563	(588,518)
Income taxes	(21,600)	(79,128)
Net income (loss)	$ 1,945,963	$ (667,646)

See the accompanying notes to the consolidated financial statements.

MFXCHANGE HOLDINGS, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	Common Stock		Additional	Accumulated	
	Shares	Amount	Paid-in Capital	Deficit	Total
Balance, as of March 31, 2018	1,095	$ 229,050	$ 37,026,233	$ (44,642,308)	$ (7,387,025)
Acquisition of Brainhunter LLC	-	-	(7,023)	(2,715,316)	(2,722,339)
Net loss for the year ended March 31, 2019	-	-	-	(667,646)	(667,646)
Balance, as of March 31, 2019	1,095	$ 229,050	$ 37,019,210	$ (48,025,270)	$ (10,777,010)
Net income for the year ended March 31, 2020	-	-	-	1,945,963	1,945,963
Balance, as of March 31, 2020	1,095	$ 229,050	$ 37,019,210	$ (46,079,307)	$ (8,831,047)

See the accompanying notes to the consolidated financial statements.

MFXCHANGE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 1,945,963	$ (667,646)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,054,040	1,977,519
Changes in Assets and Liabilities:		
(Increase) Decrease in:		
Accounts receivable	(925,920)	1,624,839
Unbilled revenue	536,250	(602,363)
Prepaid expenses	287,290	238,694
Other assets	(158,177)	10,588
Right-to-use assets & liabilities, net	2,882	-
Increase (Decrease) in:		
Accounts payable	(760,456)	(383,360)
Accrued expenses	(1,958,884)	(1,276,969)
Deferred revenue	1,338,946	649,622
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,361,933	1,570,924
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash acquired in acquisition of Brainhunter LLC	-	83,513
Proceeds from loans to related party	850,000	1,500,008
Purchase of property & equipment	(71,937)	(83,555)
Purchase of Intangibles	(211,680)	(264,226)
Loan to related party	(8,007,778)	(1,835,708)
NET CASH USED IN INVESTING ACTIVITIES	(7,441,395)	(599,968)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on capital lease obligations	(2,456,009)	(2,505,004)
Payment of line of credit - related party	(4,000,000)	-
Net Proceeds from ICICI loan	12,314,089	-
Net payment from loan to related party	72,732	210,676
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	5,930,812	(2,294,328)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	851,350	(1,323,372)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,848,968	3,172,340
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,700,318	$ 1,848,968

See the accompanying notes to the consolidated financial statements.

MFXCHANGE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	2020	2019
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	$ 327,156	$ 360,669
Income taxes paid	$ 199,336	$ 283,400
SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS		
Capital lease obligations on software, equipment and prepaid maintenance	$ 437,614	$ 894,695
Reclassification of loans receivable related party from other assets	$ -	$ 514,300
Right-to-use assets and lease liability recorded upon adoption of ASC 842	$ 3,015,260	$ -
Right-to-use assets and lease liability recorded during the period	$ 307,568	$ -
Class B redeemable preferred stock issued in acquisition of unconsolidated subsidiary	$ 2,690,101	$ -
Redeemable noncontrolling interest issued for repayment of related party payable	$ 3,551,412	$ -
Acquisition of Brainhunter LLC:		
Cash	$ -	$ 83,513
Accounts receivable	-	625,668
Unbilled revenue	-	222,899
Prepaid expenses	-	17,874
Property and equipment, net	-	4,695
Other assets	-	18,610
Accounts payable	-	(158,782)
Accrued expenses	-	(261,689)
Loan payable related party	-	(3,268,004)
Class A redeemable preferred stock	-	(7,123)
Additional paid-in capital	-	7,023
Accumulated deficit	-	2,715,316
	$ -	$ -

See the accompanying notes to the consolidated financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements follows.

Business and organization

MFXchange Holdings, Inc. (the "Company"), a Canadian corporation, was incorporated on December 17, 2001. The Company together with its subsidiary MFXchange US, Inc. provides customized datacenter and infrastructure services including private cloud offerings, across various industries. In addition, the Company provides end-to-end commercial technology applications and business process outsourcing solutions to the property and casualty insurance industry. On January 24, 2019, the Company acquired 100% of the equity interest in Brainhunter Companies LLC ("Brainhunter"), from a related party. Brainhunter organized on December 19, 2012, in the USA, provides primarily staffing and consulting services in the information technology and engineering sectors.

Investment in Unconsolidated Subsidiary

On April 1, 2019, the Company acquired an eighty-one percent (81%) interest in Brainhunter Systems Ltd. from Quess Corp (USA), a related party, for one share of Class B redeemable preferred stock. On the date of acquisition the investment was valued at $2,690,101. As of March 31, 2020, the carrying value of this investment was $2,690,101.

Basis of presentation

Management is responsible for the consolidated financial statements in accordance with policies and the instructions issued by Quess Corp Limited's (the "Group") management and the disclosed accounting policies. The consolidated financial statements are prepared in accordance with Group accounting policies and include the Company and its wholly-owned subsidiaries, and reflect all adjustments (all of which are normal and recurring in nature) that, in the opinion of management, are necessary for a fair presentation of the periods presented. All inter-company balances and transactions have been eliminated in consolidation.

Basis of measurement

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

a. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments) and
b. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations ("DBO").
c. Expenses relating to share based payments are measured at fair value on the date of grant.
d. Contingent consideration in business combinations are measured at fair value.

Use of estimates and judgement

The preparation of the consolidated financial statements in conformity with the Group's accounting policies requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

a. Income taxes: Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.
b. Measurement of defined benefit obligations: The cost of defined benefit obligations are based on actuarial valuation. An actuarial valuation involves making assumptions that may differ from actual developments in the future. All assumptions are reviewed on a periodic basis.
c. Impairment of financial assets: The Company assesses on a forward looking basis the expected credit losses associated with financial assets carries at amortized cost.
d. Property, plant and equipment and intangible assets: The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically. Intangible assets acquired in business combinations are fair valued and significant estimates are made in determining the value of intangible assets. These valuations are conducted by independent experts.
e. Other estimates: The impairment of non-financial assets involves key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Basis of consolidation

a. Business combinations: The Company accounts for business combinations which occurred on or after April 1, 2015, using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in other comprehensive income ("OCI") and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognized directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognized in the consolidated statement of operations. Any contingent consideration is measured at fair value at the date of acquisition. Contingent consideration is re-measured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in the consolidated statement of operations.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of operations or other comprehensive income, as the case may be.

b. Goodwill: Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is measured at cost less accumulated impairment losses. When the net fair value of the identifiable assets, liabilities and contingent liabilities ("net assets") acquired exceeds the cost of business acquisition, the excess of net assets over cost of business acquisition is recognized immediately in capital reserve.

   Any goodwill that arises is tested annually for impairment. An impairment loss on goodwill is not subsequently reversed. In respect of such business combinations that occurred prior to April 1, 2015, goodwill is included on the basis of its deemed cost on the transition date, which represents the amount recorded under the Group's previous policy.

c. Intangible assets: Intangible assets acquired in a business combination (such as brands, customer contracts and customer relationships) are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated and is included in depreciation and amortization expenses in the consolidated statement of operations. The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually.

d. Subsidiaries: Subsidiaries are the entities controlled by the Group. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/ loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group. Non-controlling interests ("NCI") which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. In case where the Group has written a put option with NCI in an existing subsidiary on their equity interest in that subsidiary then the Group evaluates access to the returns associated with the ownership interest. In case NCI still have present access to returns associated with the underlying ownership interest, then the Group has elected to account for put option as per the anticipated-acquisition method. Under the anticipated-acquisition method the put option is accounted for as an anticipated acquisition of the underlying NCI. This is independent of how the exercise price is determined (e.g. fixed or variable) and how likely it is that the option will be exercised. Subsequent to initial recognition, any changes in the carrying amount of the put liability is accounted through consolidated statement of operations.

Change in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

e. Equity accounted investees: The Group's interests in equity accounted investees comprise interests in associates and joint ventures. Associates are entities over which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

   Interests in associates and joint ventures are accounted for using the equity method of accounting. The investment is initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases. The Group's investment in equity accounted investees includes goodwill identified on acquisition.

Functional and presentation currency

Items included in the consolidated financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The consolidated financial statements are presented in US dollars ("USD"), which is the Company's functional currency.

Property, plant and equipment

a. Recognition and measurement: Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the consolidated statement of operations. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the consolidated statement of operations when incurred. Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is classified as capital advances under other non-current assets and the cost of the assets not ready for intended use are disclosed under 'Capital work-in-progress'.

b. Depreciation: Depreciation is provided on a Straight Line Method ('SLM') over the estimated useful lives of the property, plant and equipment as estimated by the Management and is generally recognized in the consolidated statement of operations. The management believes that the useful lives as given below best represent the period over which the management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for some of these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of). The Group has estimated the useful lives for property, plant and equipment as follows:

Plant and machinery	3 years
Computer equipment	3 years
Computer (data server)	7 years
Furniture and fixtures	4-7 years
Office equipment	4-5 years
Vehicles	3 years

Leasehold improvements are depreciated over the lease term or estimated useful life whichever is lower. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted if appropriate.

Goodwill and other intangible assets

a. Goodwill: Subsequent measurement of goodwill that arises on business combination is at carrying cost less any accumulated impairment losses.
b. Other intangible assets:
Internally generated: Research and development
Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:
    - It is technically feasible to complete the software so that it will be available for use
    - Management intends to complete the software and use or sell it
    - It can be demonstrated how the software will generate probable future economic benefits
    - Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
    - The expenditure attributable to the software during its development can be reliably measured.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Directly attributable costs that are capitalized as part of the software includes employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

Others
Other intangible assets such as computer software, copyright and trademarks are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

c. Subsequent expenditure: Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brand, is recognized in the consolidated statement of operations as and when incurred.

d. Amortization: Goodwill is not amortized and is tested for impairment annually. Amortization is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortization expenses in the consolidated statement of operations.

The estimated useful lives of intangible assets are as follows:

Computer software	3-5 years

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

Impairment of non-financial assets

Intangible assets and property, plant and equipment 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.

If such assets are considered to be impaired, the impairment to be recognized in the consolidated statement of operations is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated statement of operations if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset / CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's CGU or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the consolidated statement of operations and is not reversed in the subsequent period.

Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases with effect from 1 April 2019. The standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right-of-use asset and a lease liability (representing present value of unpaid lease payments). Such right-of-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance cost subject to certain re-measurement adjustments. The Group has adopted this standard using modified retrospective method effective 1 April 2019, and accordingly, the comparatives have not been restated retrospectively. In the Statement of Profit and Loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. Further transition adjustments, if any, arising from refinements or authoritative interpretation guidance will be prospectively recognized. The impact on profits and earnings per share is not material.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

When the outcome of the contract cannot be measured reliably, revenue is recognized only to the extent that expenses incurred are eligible to be recovered. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration.

When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred revenue included in other current liabilities represents amounts billed in excess of revenue earned. Unbilled revenue represents revenue earned in excess of amounts billed.

a. People and services: Revenue related to staffing services i.e. salary and incidental expenses of temporary associates along with the service charges are recognized in accordance with the agreed terms and recognized as the related services are performed. Revenue related to recruitment services are recognized at the time the candidate begins full time employment. Revenue related to executive research and trainings are recognized upon rendering of the service. Revenue from training services is recognized prorated over the period of training.

b. Global technology solutions: Revenue related to staffing services i.e. salary and incidental expenses of employees of Information Technology/ Information Technology Enabled Services along with the service charges are recognized in accordance with the agreed terms and recognized as the related services are performed. Revenue from information technology primarily includes co-location, which includes the licensing of cabinet space and power, interconnection offerings; managed infrastructure services and application management services. Revenue is recognized ratably in accordance with the agreed terms of the contract with the customers.

Other income

Other income mostly comprises interest income on deposits, and gain/ (losses) on disposal of financial assets and non-financial assets. Interest income is recognized using the effective interest method.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the reporting date. 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 recognized in consolidated statement of operations. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in the consolidated statement operations, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The assets and liabilities of foreign operations (subsidiaries and joint venture) including goodwill and fair value adjustments arising on acquisition, are translated into USD, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into USD at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed of, in full, the relevant amount is transferred to net profit in the consolidated statement of operations. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Financial instruments

Recognition and initial measurement:
Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

Classification and subsequent measurement:
Financial assets:
On initial recognition, a financial asset is classified as measured at

- Amortized cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

a. A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at FVTPL:
    - the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
    - the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.
b. A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
    - the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
    - the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.
c. On initial recognition of an equity investment that is not held for trading, the Group irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-to-investment basis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. All financial assets not classified at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses:

- Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the consolidated statement of operations.
- Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statement of operations. Any gain or loss on de-recognition is recognized in the consolidated statement of operations.
- Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated statement of operations. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to the consolidated statement of operations.
- Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in the consolidated statement of operations unless the dividend clearly represents a recovery of part of the cost of the investment other net gains and losses are recognized in OCI and are not reclassified to consolidated statement of operations.

Impairment of financial assets:
The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on financial assets trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

De-recognition of financial assets:
A financial asset is derecognized only when:

- The Group has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset.

Financial Liabilities:
Classification, subsequent measurement and gains and losses:
Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statement of operations. Other financial liabilities subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the consolidated statement of operations. Any gain or loss is also recognized in the consolidated statement of operations.

Financial guarantee contracts:
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements and the amount recognized less cumulative amortization.

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

Offsetting:
Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Employee benefits

a. Short-term benefit plans - Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g. short term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Compensated absences - The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.
c. Defined contribution plan - A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognized as an expense in the consolidated statement of operations during the period in which the employee renders the related service.
d. Termination benefits - Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

Share based payments

Equity instruments granted to the employees of the Group are measured by reference to the fair value of the instrument at the date of grant. The expense is recognized in the consolidated statement of operations with a corresponding increase to the share based payment reserve, a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of operations except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current income tax for current and prior periods is recognized 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 reporting date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting 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 recognized as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. Deferred tax assets, unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Minimum alternative tax ("MAT") paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax in future years. Deferred tax includes carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost. Expected future operating losses are not provided for.

Onerous contract:
A contract is considered to be onerous when the expected economic benefit to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognizes any impairment loss on the assets associated with the contract.

Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Effective April 1, 2017, the Group adopted the standard to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTE 2 – ACQUISITION OF BRAINHUNTER COMPANIES LLC

As disclosed in Note 1, on January 24, 2019, the Company acquired 100% of the outstanding equity interest in Brainhunter Companies LLC, from Brainhunter Systems Ltd, a related party for 1 share of Class A redeemable preferred stock. Brainhunter was merged into MFXchange US, Inc. effective January 31, 2019. The acquisition of Brainhunter, was determined to be a common control transaction as each Company is under the control of Quess Corp Limited. As a result, the assets and liabilities assumed were recorded on the Company's consolidated financial statements at their respective carry-over basis. Accounting Standards Codification ("ASC") 805, "Business Combinations", requires the Company record the common control merger as of the earliest date presented in the consolidated financial statements, however the Company elected to record the common control merger as of January 24, 2019, the date of the acquisition as follows:

Cash	$ 83,513
Accounts receivable	625,668
Unbilled revenue	222,899
Prepaid expenses	17,874
Property and equipment, net	4,695
Other assets	18,610
Accounts payable	(158,782)
Accrued expenses	(261,689)
Loan payable related party	(3,268,004)
Class A redeemable preferred stock	(7,123)
Additional paid-in capital	7,023
Accumulated deficit	2,715,316
	$ -

NOTE 3 - SOFTWARE COSTS

Capitalized software costs primarily include third party software. As of March 31, 2020 and 2019 the carrying value of software costs was $761,652 and $935,756, which includes software under development amounting to $677,173 that was put into operations during the year ended March 31, 2020. During the years ended March 31, 2020 and 2019, the Company recorded an amortization charge related to software assets totaling $424,748 and $297,875, respectively.

NOTE 4 – PROPERTY AND EQUIPMENT

As of March 31, 2020 and 2019, property and equipment consisted of the following:

	2020	2019
Leasehold improvements	$ 2,749,149	$ 2,746,156
Hardware costs	10,119,761	9,903,967
Furniture and equipment	377,725	365,507
Total Cost	13,246,635	13,015,630
Less, accumulated depreciation	(12,239,396)	(10,610,103)
Property and equipment, net	$ 1,007,239	$ 2,405,527

Depreciation expense was $1,629,293 and $1,679,644 for the years ended March 31, 2020 and 2019, respectively.

NOTE 5 – RIGHT-TO-USE ASSETS AND LEASE LIABILITY

The Company leases certain of its properties under leases that expire on various dates through March 2024. In addition, the Company has entered into several agreements to lease office equipment and other software that are classified as operating leases that expire on various dates through 2021.

In adopting ASC Topic 842, Leases (Topic 842), the Company has elected the 'package of practical expedients', which permit it not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. The Company did not elect the use-of-hindsight or the practical expedient pertaining to land easements; the latter is not applicable to the Company. In addition, the Company elected not to apply ASC Topic 842 to arrangements with lease terms of 12 months or less. In determining the length of the lease term to its long term lease, the Company determined not to consider embedded renewal options of 5 years and two consecutive periods of 5 years each in the Ridgefield Par, New Jersey and Bridgewater, New Jersey leases primarily due to i) the renewal rate is at future market rate to be determined and ii) Company does not have significant leasehold improvements that would restrict its ability to consider relocation.

At lease commencement dates, the Company estimated the lease liability and the right of use assets at present value using the Company's estimated incremental borrowing rate of 4% and determined their initial present values, at inception, of $3,015,260.

On April 1, 2019, upon adoption of ASC Topic 842, the Company recorded right to use assets of $2,909,881, lease liability of $3,015,260 and eliminated accrued rent of $105,379.

NOTE 5 – RIGHT-TO-USE ASSETS AND LEASE LIABILITY (continued)

Right-to-use assets is summarized below:

Right-to-Use Assets:		
Office Leases	$	2,734,362
Equipment and software leases		483,086
Right-to-Use Assets:		3,217,448
Less: accumulated amortization		(1,181,973)
Right-to-use assets, net	$	2,035,475

During the year ended December 31, 2019, the Company recorded $1,022,168 as lease expense to current period operations.

Lease liability is summarized below:

Lease Liability:		
Office Leases	$	1,932,657
Equipment and software leases		211,080
Total lease liability:		2,143,737
Less: short term portion		(1,223,914)
Long term portion	$	919,823

The maturity for the remaining term of the lease liability is as follows:

Year ending March 31,		
2021	$	1,223,914
2022		380,900
2023		290,468
2024		248,455
2025		-
Total lease liability	$	2,143,737

Lease expense for the year ended March 31, 2020 was comprised of the following:

Lease Expense:		
Building lease expense	$	952,200
Equipment lease expense		325,104
Total lease expense	$	1,277,304

NOTE 6 – OTHER ASSETS

As of March 31, 2020 and 2019 other assets consist of the following:

	2020	2019
Investment (see note 1)	$ 266,976	$ 266,976
Deferred tax asset (see note 14)	1,334	2,668
Foreign tax withholdings	455,131	289,313
Security deposits	4,384	10,691
Total	$ 727,825	$ 569,648

Section 126 of the Income Tax Act, Canada, provides that a foreign tax credit is available to a taxpayer who is a resident of Canada and provides relief from double taxation on certain income i.e. relief from paying full tax on income in Canada and the foreign country. It is a method by which income taxes paid to a foreign jurisdiction offset Canadian income tax as provided in section 126 of the Act. Paragraph 126(2)(a) permits unused foreign tax credit to be carried forward for 10 taxation years and carry back for 3 taxation years and is calculated for each country separately. Reasonable efforts have to be made by the Company's Canadian operations to claim a refund of withholding tax paid in Colombia & Uruguay. If it is not possible to get a refund then the Company will claim the tax withheld as a credit against Canadian income taxes payable and as calculated as per provision of section 126 of the Act. Accordingly, the Company has classified these balances as foreign tax withholdings of $455,131 and $289,313 at March 31, 2020 and 2019, respectively.

NOTE 7 – ACCRUED EXPENSES

As of March 31, 2020 and 2019 accrued expenses consist of the following:

	2020	2019
Restructuring costs	$ -	$ 7,930
Salaries and benefits	1,183,709	2,369,293
Other accrued expenses	2,732,318	3,603,067
Total	$ 3,916,027	$ 5,980,290

NOTE 8 – LINE OF CREDIT, RELATED PARTY

On November 3, 2014, the Company entered into an Amended and Restated Revolving Line of Credit Agreement with Fairfax (US), Inc., a related party. The revolving credit facility contains a maximum borrowing limit of $5,000,000. Borrowings under the revolving credit facility bear interest at 3% interest per annum for the first year and 4% per annum for years two through four. If the termination date is extended by Fairfax (US), Inc. then the interest shall increase to 5% per annum for the fourth anniversary of the closing date to the extended termination date. Overdue interest shall bear interest at a rate that is 2% per annum in excess of the then applicable interest rate. Interest is payable quarterly. The obligations under the Revolving Facility shall rank pari-passu with all other senior indebtedness of MFXchange USA, Inc. As of March 31, 2020 and 2019, the balance outstanding under the revolving line of credit was $0 and $4,000,000, respectively. Accrued interest of $0 and $41,644 is included in accounts payable at March 31, 2020 and 2019, respectively.

NOTE 9 – TERM LOAN AND WORKING CAPITAL FACILITY

On November 22, 2019, the Company entered into a Term Loan ("Term Loan") & Working Capital Facility ("Facility") with ICICI Bank Canada. The Term Loan contains a maximum borrowing limit of 7,500,000 CND and the Facility has a maximum borrowing limit of 12,500,000 CND, both maturing on November 30, 2024. Borrowings under the Term Loan are to be repaid quarterly starting at 2.5% to 6.25% over the term of the loan. Borrowings under the working capital facility are due on the maturity date. Interest is charged at a percentage per annum that is an aggregate of the Canadian CDOR rate & CDOR plus 2.5%. As of March 31, 2020, the balance outstanding under the Term Loan was $5,233,879 (7,449,642 CND) and the balance outstanding under the Working Capital facility was $7,211,056 (10,263,856 CND). The Company advanced $8,007,778 of the proceeds received to Brainhuter Systems Ltd, a related party (See Note 11). Accrued interest of $18,608 is included in accounts payable at March 31, 2020 in connection with the Term Loan & Working Capital Facility. The Agreement contains certain customary events of default including a subjective acceleration clause if a "material adverse effect" occurs in the Company's business that could result in an event of default. The Company believes that the likelihood of the lender exercising this right is remote.

The maturity for the remaining term of the term loan and working capital facility is as follows:

Year ending March 31,		
2021	$	7,799,867
2022		915,929
2023		1,308,470
2024		1,308,470
2025		981,352
Total - Term loan and working capital facility	$	12,314,088

NOTE 10 – CAPITAL LEASE OBLIGATONS

The Company has entered into several agreements to lease certain computer hardware and software that are classified as capital leases. As of March 31, 2020 and 2019, capital leases consist of the following:

		2020		2019
Capital lease obligations	$	1,171,268	$	3,189,663
Less, current portion of capital leases		913,878		2,309,764
Long term portion of capital leases	$	257,391	$	879,899

Debt maturity for the remaining term of the capital lease obligations is as follows:

Year ending March 31,		
2021		913,878
2022		153,234
2023		74,354
2024		29,802
2025		-
Total	$	1,171,268

NOTE 11 – STOCKHOLDER'S DEFICIT

Common Stock
The Company has an unlimited number of authorized common shares. As of March 31, 2020 and 2019, the Company has 1,095 shares of common stock issued and outstanding.

Class A Redeemable Preferred Stock
On January 24, 2019, the Company filed a Certificate of Amendment which authorizes the issuance of an unlimited number of shares of Class A redeemable preferred stock. The Class A preferred stock shall be entitled to receive non-cumulative annual dividends at the discretion of the directors and the shares do not have voting rights. The Company may redeem the Class A preferred stock upon giving ten (10) days written notice. The holder of the Class A preferred stock shall be entitled to require the Company to redeem at any time the whole or part of such holder's Class A preferred shares. Upon redemption, the Company shall pay to the holders of the Class A preferred stock to be redeemed, in respect of each share to be redeemed, an amount equal to the sum of (i) all dividends declared thereon and unpaid and (ii) the Class A preferred stock redemption amount defined as the amount equal to the aggregate net fair market value of the consideration received by the Company on the issuance of all Class A preferred shares, divided by the number of all such shares issued as consideration therefor, provided that if, after the date on which the Class A preferred stock was issued, the Company pays to the holder of the Class A preferred stock a return of capital (otherwise than on a redemption of such shares), the Class A preferred stock redemption amount of each Class A preferred share shall thereafter be reduced by the amount resulting from dividing the amount so paid to the holder as a return of capital, by the number of Class A preferred shares issued and outstanding on the date of such return of capital.

On January 24, 2019, the Company issued 1 share of Class A redeemable preferred stock upon the acquisition of Brainhunter.

Class B Redeemable Preferred Shares
On March 20, 2019, the Company amended its Articles to authorize the issuance of an unlimited number of shares of Class B redeemable preferred stock. The Class B preferred stock shall be entitled to receive non-cumulative annual dividends at the discretion of the directors. The holders of the Class B preferred stock have voting rights. The Company may redeem the Class B preferred stock upon giving ten (10) days written notice. The holder of the Class B preferred stock shall be entitled to require the Company to redeem at any time the whole or part of such holder's Class B preferred shares. Upon redemption, the Company shall pay to the holders of the Class B preferred stock to be redeemed, in respect of each share to be redeemed, an amount equal to the sum of (i) all dividends declared thereon and unpaid and (ii) the Class B preferred stock redemption amount defined as the amount equal to the aggregate net fair market value of the consideration received by the Company on the issuance of all Class B preferred shares, divided by the number of all such shares issued as consideration therefor, provided that if, after the date on which the Class B preferred stock was issued, the Company pays to the holder of the Class B preferred stock a return of capital (otherwise than on a redemption of such shares), the Class B preferred stock redemption amount of each Class B preferred share shall thereafter be reduced by the amount resulting from dividing the amount so paid to the holder as a return of capital, by the number of Class B preferred shares issued and outstanding on the date of such return of capital. As of March 31, 2020 there were no shares of Class B redeemable preferred stock issued and outstanding.

Class C Redeemable Preferred Stock
On March 20, 2019, the Company amended its Articles to authorize the issuance of an unlimited number of shares of Class C redeemable preferred stock. The Class C preferred stock shall be entitled to receive non-cumulative annual dividends at the discretion of the directors and the shares do not have voting rights. The Company may redeem the Class C preferred stock upon giving ten (10) days written notice. The holder of the Class C preferred stock shall be entitled to require the Company to redeem at any time the whole or part of such holder's Class C preferred shares. Upon redemption, the Company shall pay to the holders of the Class C

NOTE 11 – STOCKHOLDER'S DEFICIT (continued)

preferred stock to be redeemed, in respect of each share to be redeemed, an amount equal to the sum of (i) all dividends declared thereon and unpaid and (ii) the Class C preferred stock redemption amount defined as the amount equal to the aggregate net fair market value of the consideration received by the Company on the issuance of all Class C preferred shares, divided by the number of all such shares issued as consideration therefor, provided that if, after the date on which the Class C preferred stock was issued, the Company pays to the holder of the Class C preferred stock a return of capital (otherwise than on a redemption of such shares), the Class C preferred stock redemption amount of each Class C preferred share shall thereafter be reduced by the amount resulting from dividing the amount so paid to the holder as a return of capital, by the number of Class C preferred shares issued and outstanding on the date of such return of capital. As of March 31, 2020 there were no shares of Class C redeemable preferred stock issued and outstanding.

Liquidation Rights
If the Company is liquidated, dissolved or wound-up or its assets are otherwise distributed among the shareholders by way of repayment of capital, whether voluntary or involuntary (a) the holders of the Class A, Class B and Class C preferred stock shall be entitled to receive all declared and unpaid dividends, and the redemption amount applicable to each Class of preferred stock prior to any distribution of assets of the Company among the common stockholders, (b) the holders of the Class A, Class B and Class C preferred stock shall not be entitled to share any further in the distribution of the assets of the Company, (c) if there are insufficient assets to satisfy (a) then (i) the holders of the Class A preferred stock shall receive their entitlement prior to the holders of the Class B and Class C preferred stock, (ii) the holders of the Class B preferred stock shall receive their entitlement prior to the holders of the Class C preferred stock, and (iii) the holders of the Class C preferred stock receive their entitlement, and (d) thereafter the common stockholders shall be entitled to receive any remaining assets of the Company.

NOTE 12 – OTHER RELATED PARTY TRANSACTIONS

Accounts Payable
The Company uses a related party vendor MFX Infotech Private Limited to provide infrastructure and database technology services. As of March 31, 2020 and 2019, accounts payable and accrued expenses of $3,268,484 and $4,400,314, respectively, were the total outstanding amounts payable to the vendor.

Loan Payable Related Party
The Company acquired a loan payable of $3,268,004 to Brainhunter Systems, Ltd. as part of its acquisition of Brainhunter Companies, LLC (see Note 2) and $3,478,680 was outstanding as of March 31, 2019. On March 27, 2020 the Company converted the loan payable to Series B Preferred shares of it's subsidiary MFXchange US, Inc. (see Note 12).

Professional Services Agreement
The Company's subsidiary, MFXchange US, Inc., entered into a Professional Services Agreement to provide services to Quess USA, Inc. ("Quess") as per the terms of the agreement. During the year ended March 31, 2020 the Company provided services to Quess for management services for a monthly fee of $37,500. A total outstanding balance of $450,000 is included in the related party receivable of $755,271 from Quess as of March 31, 2020.

Loan Receivable Related Party
The Company has a loan receivable of $ 8,007,778 as of March 31, 2020 from Brainhunter Systems, Ltd. for the advance of proceeds received from the Term Loan & Working Capital Facility (See Note 8).

NOTE 12 – OTHER RELATED PARTY TRANSACTIONS (continued)

As of March 31, 2020 and 2019, the Company also had other related party balances as follows:

	2020	2019
Accounts receivable due from Quess Corp (USA)	$ 755,271	$ 87,869
Accounts receivable due from Brainhunter Systems	-	250,300
Advance to Brainhunter Systems	8,087,259	850,000
Accounts payable due to Brainhunter Systems	(42,303)	(86,456)
Accrued expenses due to Brainhunter Systems	-	(5,412)
Due from related parties, net	$ 8,800,228	$ 1,096,301

NOTE 13 – COMMITMENTS AND CONTINGENCIES

COVID-19

On March 11, 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus (COVID-19) outbreak, which has led to a global health emergency. The extent of the public-health impact of the outbreak is currently unknown and rapidly evolving, and the related health crisis could adversely affect the global economy, resulting in an economic downturn. At this time, there is uncertainty relating to the potential effect of the novel coronavirus on the Company's business.

Redeemable Noncontrolling Interest

On March 27, 2020, MFXchange US, Inc. ("MFXUS"), a subsidiary of the Company, entered into a debt conversion agreement with Brainhunter Systems, Ltd. ("Holder") to convert $3,551,412 in amounts owed into 100 shares of Series B Preferred Stock of MFXUS. The Series B Preferred Stock is redeemable by the MFXUS or the Holder for $3,551,412 along with any dividends declared. The Series B is not entitled to any mandatory dividends and is not convertible into MFXUS common stock or any other security. The Company has 81% ownership in the Holder (See Note 1).

Concentrations

The Company had three and two customers that accounted for approximately 38% and 31% of the Company's revenues for the years ended March 31, 2020 and 2019, respectively. The Company had four and three customers that accounted for approximately 41% and 34% of total accounts receivable as of March. 31, 2020 and 2019, respectively.

The Company utilized two major suppliers for outside services totaling approximately 47% and 55% of the Company's total expenditures for outside services for the years ended March 31, 2020 and 2019, respectively. The Company's two major suppliers accounted for approximately 51% and 52% of total accounts payable and accrued expenses as of March 31, 2020 and 2019, respectively.

Restructuring Charges

The Company accounts for restructuring activities in accordance with ASC 420, *Exit or Disposal Cost Obligations*. Under the guidance for the cost of restructuring activities that do not constitute a discontinued operation, the liability for the current fair value of expected future costs associated with such restructuring activity shall be

NOTE 13 – COMMITMENTS AND CONTINGENCIES (continued)

recognized in the period in which the liability is incurred. The Company segregates the costs of restructuring activities taken pursuant to a management approved restructuring plan.

During December 2014, the Company's management initiated a restructuring plan to restore sustainable profitability and to improve its competitive position. Expenses related to this plan have resulted in a charge of $2,236,236 which primarily related to payroll severance expenses. The Company has fully amortized the reserve related to restructuring costs as of March 31, 2020.

Share Purchase Agreement

On November 3, 2014, Fairfax Financial Holdings, Limited ("Fairfax"), the Company's parent, entered into a Share Purchase Agreement ("SPA") to sell one hundred percent (100%) of the Company's common stock to an affiliate of Fairfax. In accordance with the SPA, Fairfax sold forty nine percent (49%) of the Company's equity as of the first closing date of November 3, 2014. The remaining fifty one percent (51%) of the Company's common stock was sold as of January 1, 2016. The purchase price for the one hundred percent

(100%) interest will be paid based upon defined earn out payments plus nominal upfront consideration. The earn out payments are based upon the Company's net income during a five year earn out period beginning January 1, 2016.

In accordance with the SPA, the buyer may, at its sole discretion, elect to pay up to eighty percent (80%) of the earn out payments in the form of the Company's Preferred Stock with the remaining portion paid in cash. Until the buyer satisfies the final earn out payment, the Company shall not make any amendment to the charter documents of the MFX Group or any other transaction that would require the approval of the Company Preferred Stock as a class (as if Company Preferred Stock was outstanding at the time of such amendment or transaction, whether or not in fact Company Preferred Stock is outstanding) without the prior written consent of Fairfax. The Company is restricted from paying any dividends or other distributions and not to redeem any shares until such time as the Revolving Facility has been repaid in full and all outstanding Company Preferred Stock have been redeemed. The Preferred Stock will include a 5% Fixed, cumulative, preferential cash dividends payable quarterly on the last day of March, June, September and December in each year at an annual rate of $0.50 per Preferred Share (pro-rated for the first period after issuance). The quarterly dividends will relate to the quarterly period ending the last day of the respective month. So long as the Preferred Stock is outstanding, the Company shall not without approval of the holders of a majority of the Preferred Stock: (a) pay any dividend or other distribution on the Common Stock or any other shares ranking junior to the Preferred Stock; (b) purchase, redeem or return capital in respect of any Common Stock or other shares ranking junior to the Preferred Stock; or (c) sell, transfer, lease, exchange or otherwise dispose of a material portion of the assets of the Company and/or its subsidiaries, on a consolidated basis. The Preferred Stock will rank prior to the Common Stock as to the payment of dividends and the distribution of assets on dissolution, liquidation or winding-up of the Company. The Preferred Stock will be redeemable at the option of the Company at any time at a price of $10.00 per share, plus accrued and unpaid dividends to the date of redemption and redeemable at the option of the holder at any time after the third anniversary of the date of issue of such shares at a price of $10.00 per share, plus accrued and unpaid dividends to the date of redemption.

NOTE 14 -INCOME TAXES

For the years ended March 31, 2020 and 2019, the Company's effective tax rate was as follows:

	2020	2019
Federal tax benefit at statutory rate	25.00%	25.00%
State tax benefit, net of Federal benefits	5.00%	5.00%
Net change in valuation allowance	-30.00%	-30.00%
Income taxes, net	0.00%	0.00%

As of March 31, 2020 and 2019, the tax effects of temporary differences and carryforwards that gave rise to significant portions of the deferred tax assets and liabilities were as follows (see Note 6):

	2020	2019
Net operating loss carry-forwards	$ 3,465,000	$ 3,487,000
Accrual and reserves	4,229,000	4,634,000
Total assets	7,694,000	8,121,000
Less, valuation allowance	(7,692,666)	(8,118,332)
Net deferred tax assets	$ 1,334	$ 2,668

At March 31, 2020, MFXchange US, Inc. had federal net operating loss carryforwards ("NOL's") of approximately $14.3 million that will be available to reduce future taxable income, if any. At March 31, 2020, MFXchange Holdings, Inc. had Canadian NOL's of $1.5 million and capital loss allowance deductions of approximately $12.6 million available to reduce future taxable income, if any. The Company performs an analysis each year to determine whether the expected future income will more likely than not be sufficient to realize the deferred tax assets. The Company's recent operating results and projections of future income weighed heavily in the Company's overall assessment. A net tax benefit of $1,334 and $2,668 has been reported in the March 31, 2020 and 2019, respectively, financial statements, since the potential tax benefit is offset by a valuation allowance.

The change in valuation allowance for the years ended March 31, 2020 and 2019, was a decrease of $425,400 and $282,000 due to the continued likelihood that realization of any future benefit from deductible temporary differences and net operating loss carryforwards cannot be sufficiently assumed.

Pursuant to the Internal Revenue Code Section 382 ("Section 382"), certain ownership changes may subject the net operating loss carryforwards ("carryforwards") to annual limitations which could reduce or defer the carryforwards. Section 382 imposes limitations on a corporation's ability to utilize carryforwards if it experiences an ownership change. An ownership change may result from transactions increasing the ownership of certain stockholders in the stock of a corporation by more than 50 percentage points over a three-year period. In the event of an ownership change, utilization of the carryforwards would be subject to an annual limitation under Section 382 determined by multiplying the value of its stock at the time of the ownership change by the applicable long-term tax-exempt rate. Any unused annual limitation may be carried over to later years. The imposition of this limitation on its ability to use the carryforwards to offset future taxable income could cause the Company to pay U.S. federal income taxes earlier than if such limitation were not in effect and could cause such carryforwards to expire unused, reducing or eliminating the benefit of such carryforwards. The Company has not completed a Section 382 study on the net operating loss carryforwards of Brainhunter as of January 24,

NOTE 14 -INCOME TAXES (continued)

2019, date of acquisition, and has not included the net operating losses in the calculation of deferred tax assets as they would be offset by a full valuation allowance.

As of March 31, 2020, open tax years include the tax years ended December 31, 2016 through December 31, 2019.

The Company applies the standard relating to accounting for uncertainty in income taxes (ASC 740-10), which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company is required to recognize in the financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. There were no significant unrecognized tax benefits recorded as of March 31, 2020 and 2019, and there was no change to the unrecognized tax benefits during the years ended March 31, 2020 and 2019.

NOTE 15 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Assets and liabilities that are measured at fair value are reported using a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date of identical, unrestricted assets or liabilities.
- Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

As of March 31, 2020 and 2019, the Company did not identify any non-recurring assets and liabilities that are required to be presented in the balance sheets at fair value in accordance with ASC Topic 825, *Financial instruments*.

NOTE 16 – SUBSEQUENT EVENTS

The Company has evaluated events and transactions for potential recognition or disclosure through May 22, 2020, which is the date the financial statements were available to be issued. No subsequent events were noted.

QUESS CORP LANKA (PRIVATE) LIMITED

FINANCIAL STATEMENTS - 31 MARCH 2020

QUESS CORP LANKA (PRIVATE) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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QUESS CORP LANKA (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 APRIL 2019 TO 31 MARCH 2020

PAGE

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Independent auditor's report

To the board of directors of Quess Corp Lanka (Private) Limited

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Quess Corp Lanka (Private) Limited ("the Company") as at March 31, 2020, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

What we have audited

The financial statements of the Company, which comprise:

- the statement of financial position as at March 31, 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

PricewaterhouseCoopers, P. O. Box 918, 100 Braybrooke Place, Colombo 2, Sri Lanka
T: +94 (11) 771 9700, 771 9838, F: +94 (11) 230 3197, www.pwc.com/lk

Partners D T S H Mudalige FCA, C S Manoharan FCA, Ms S Hadgie FCA, Ms S Perera ACA, N R Gunasekera FCA
T U Jayasinghe FCA, H P V Lakdeva FCA, M D B Boyagoda ACA

Independent auditor's report

To the board of directors of Quess Corp Lanka (Private) Limited (Contd.)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs 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 SLAuSs, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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.

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Independent auditor's report

To the board of directors of Quess Corp Lanka (Private) Limited (Contd.)

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act, No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

Basis of preparation and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 2.1 to the special purpose financial statements, which describes the basis of accounting. This special purpose financial statements have been prepared for purposes of providing information to Quess Corp Limited to enable it to prepare the consolidated financial statements of the group as at 31 March 2020. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the board of directors of Quess Corp Lanka (Private) Limited and Quess Corp Limited and should not be distributed to or used by parties other than the board of directors of Quess Corp Lanka (Private) Limited and Quess Corp Limited.

26 May 2020

CHARTERED ACCOUNTANTS

COLOMBO

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QUESS CORP LANKA (PRIVATE) LIMITED

Statement of comprehensive income

(all amounts in Sri Lanka Rupees)

	Note	1 April to 31 March 2020	1 April to 31 March 2019
Revenue from contract with customers	7	179,537,057	156,443,593
Administrative expenses	8	(58,382,957)	(121,424,699)
Operating profit		121,154,100	35,018,894
Other income		374,132	Nil
Net finance (expense) / income	9	(4,185,811)	1,322,519
Profit before income tax		117,342,421	36,341,413
Income tax expense	10	(17,695,111)	(6,041,547)
Profit for the year		**99,647,310**	**30,299,866**
Other comprehensive income		Nil	Nil
Total comprehensive income		**99,647,310**	**30,299,866**
Earnings per share	11	**81.93**	**24.91**

The notes on pages 8 to 25 form an integral part of these financial statements.

Independent auditor's report - pages 1 - 3

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QUESS CORP LANKA (PRIVATE) LIMITED

Statement of financial position

(all amounts in Sri Lanka Rupees)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	12	2,467,538	2,369,202
Intangible assets	13	Nil	Nil
Deferred income tax assets	18	31,179,909	8,426,697
		33,647,447	10,795,898
Current assets			
Trade and other receivables	14	403,575,734	318,545,570
Cash and cash equivalents	15	110,680,303	53,966,283
		514,256,037	372,511,853
Total assets		**547,903,484**	**383,307,751**
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	17	12,162,840	12,162,840
Retained earnings		307,716,336	208,069,023
Total equity		319,879,176	220,231,863
Non-current liabilities			
Defined benefit obligations	19	52,775,166	26,308,616
		52,775,166	26,308,616
Current liabilities			
Trade and other payables	20	167,659,039	134,390,295
Current income tax liabilities	21	7,590,103	2,376,977
		175,249,142	136,767,272
Total liabilities		**228,024,308**	**163,075,888**
Total equity and liabilities		**547,903,485**	**383,307,751**

I certify that these financial statements have been prepared and presented in accordance with Sri Lanka Accounting Standards.

S. Ramakrishnan
(Ramakrishnan Subramanian)
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements. The financial statements were authorised for issue by Board of Directors on 26 May 2020.

Directors

(VIJAY SIVARAM) (GURUPRASAD SRINIVASAN)

The notes on pages 8 to 25 form an integral part of these financial statements.

Independent auditor's report - pages 1 - 3

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QUESS CORP LANKA (PRIVATE) LIMITED

Statement of changes in equity

(all amounts in Sri Lanka Rupees)

	Stated capital	Retained earnings	Total equity
Balance at 1 April 2018	12,162,840	177,769,160	189,932,000
Profit for the year	Nil	30,299,866	30,299,866
Other comprehensive income	Nil	Nil	Nil
Total comprehensive expense	Nil	30,299,866	30,299,866
Balance at 31 March 2019	**12,162,840**	**208,069,026**	**220,231,866**
Balance at 1 April 2019	12,162,840	208,069,026	220,231,866
Profit for the year	Nil	99,647,310	99,647,310
Other comprehensive income	Nil	Nil	Nil
Total comprehensive income	Nil	99,647,310	99,647,310
Balance at 31 March 2020	**12,162,840**	**307,716,336**	**319,879,176**

The notes on pages 8 to 25 form an integral part of these financial statements.

Independent auditor's report - pages 1 - 3

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QUESS CORP LANKA (PRIVATE) LIMITED

Statement of cash flows

(all amounts in Sri Lanka Rupees)

	Note	As at 31 March 2020	As at 31 March 2019
Cash flows from operating activities			
Cash generated from operations	22	97,332,687	24,735,060
Net finance (expense paid) / income received	9	(4,185,811)	1,322,519
Income tax paid		(35,235,195)	(9,913,172)
Retirement benefit obligation paid		Nil	(1,561,742)
Net cash generated from operating activities		**57,911,681**	**14,582,665**
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(1,197,660)	(709,535)
Net cash used in investing activities		**(1,197,660)**	**(709,535)**
Increase in cash and cash equivalents		**56,714,021**	**13,873,129**
Movement in cash and cash equivalents			
At beginning of the year		53,966,283	40,093,153
Increase during the year		56,714,021	13,873,129
At end of the year	15	**110,680,304**	**53,966,283**

The notes on pages 8 to 25 form an integral part of these financial statements.

Independent auditor's report - pages 1 - 3

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements

(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)

1 General information

The Company is a limited liability company incorporated in Sri Lanka and approved under section 16 of the BOI law. The company has been incorporated on 09 February 2004 and has its registered office at 7th Floor, BOC Merchant Tower, 28 St. Michael's Road, Colombo 03. The Company was formerly known as Randstad Lanka (Private) Limited and was acquired by Quess Corp Holdings PTE Ltd with effect from 26 April 2016. The company is engaged in the business of providing human resource services to clients.

Quess Corp Lanka (Private) Limited is a 100% subsidiary company of Quess Corp Holdings PTE Ltd, a company incorporated in Singapore while Ultimate Parent of the company is Quess Corp Limited, a company incorporated in India.

2 Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements are prepared by the management for purposes of providing information to Quess Corp Limited to enable it to prepare the consolidated financial statements of the group. The financial statements cover the year from 1 April 2019 to 31 March 2020. Comparative figures are for the period from 1 April 2018 to 31 March 2019.

The financial statements are prepared in accordance with and comply with Sri Lanka Accounting Standards (LKASs and SLFRSs). The financial statements are prepared under the historical cost

The preparation of financial statements in conformity with SLFRS/LKAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2.2 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

2 Summary of significant accounting policies (Contd.)

2.3 Property, plant and equipment

All property, plant and equipment is initially recorded at cost and stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation begins when an item of property, plant and equipment is available for use and will continue until it is derecognised, even if during that period the item is idle.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

Depreciation is calculated on a straight line method to write off the cost of each asset to their residual values over their estimated useful lives or the lease term, whichever is lower.

	%
Office equipment	25
Furniture and fittings	25
Computer equipment	25

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the income statement.

2.4 Intangible assets

Intangible assets wholly consist of computer software. Acquisition cost of computer software is capitalised and amortised using the straight-line method over the useful life of three years.

2.5 Impairment of non financial assets

Assets that have an indefinite useful life that intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets are reviewed for possible reversal of the impairment at each reporting date.

2.6 Financial assets

2.6.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

There were no financial assets other than loans and receivables at the statement of financial position date.

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

2 Summary of significant accounting policies (Contd.)

2.6 Financial assets (Contd.)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets as trade and other receivables except for maturities greater than 12 months after the statement of financial position date in which case classified as non-current assets.

2.6.2 Recognition and measurement of financial asset

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

During the reporting period, the Company did not record any financial assets that were available for sale or fair value through profit or loss or held to maturity.

2.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.8 Impairment of financial assets

Assets carried at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or a group of financial assets that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio,

(i) adverse changes in the payment status of borrowers in the portfolio; and

(ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Company first assesses whether objective evidence of impairment exists.

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

2 Summary of significant accounting policies (Contd.)

2.8 Impairment of financial assets (Contd.)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If a loan or held to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

2.9 Financial liabilities

The Company's financial liabilities include trade and other payables. All other financial liabilities except for financial liabilities at fair value through profit or loss are recognised initially at their fair values and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

2.10 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'administrative expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administrative expenses' in the income statement.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.12 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

2 **Summary of significant accounting policies (Contd.)**

2.13 Employee benefits

(a) Defined benefit plan - gratuity

Provision has been made for retirement gratuities from the first year of services for all employees in conformity with LKAS 19. However, under the payment of Gratuity Act No.12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability has not been externally funded nor actuarially valued.

(b) Defined contribution plan

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.14 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Revenue recognition

The revenue represents all billings made during the accounting period. The company is not in the practice of accounting for work-in-progress.

Revenue is recognised upon performance of service. Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is shown net of value added tax and discounts.

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

In agency relationships, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result in increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission.

2.16 Current and deferred income taxes

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

2.17 Stated capital

The Ordinary shares are classified under the stated capital.

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

2 Summary of significant accounting policies (Contd.)

2.18 Contingent liabilities and contingent assets

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

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company. The Company recognises contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

3 Financial risk management

3.1 Financial risk factors

The Company is exposed to a variety of financial risks. These include foreign exchange risks, credit risks, interest rate risks, liquidity risks and investment risks. Based on our economic outlook and the Company's exposure to these risks, the Board of the Company approves various risk management strategies from time to time.

(a) Market risk

(i) Foreign exchange risk

The company is sensitive to the fluctuations in exchange rates and is principally exposed to fluctuations in the value of the Sri Lankan Rupee (LKR) against the US Dollar (USD). The company's functional currency is LKR in which most of the transactions are denominated, and all other currencies are considered foreign currencies for reporting purposes. Certain bank balances and trade and other payables are denominated in foreign currencies.

The Company's Financial Statements which are presented in Sri Lankan Rupees, are affected by foreign exchange fluctuations through both translation risk and transaction risk. Changes in foreign currency exchange rates may affect the company's pricing of services rendered and cost incurred in foreign currencies. In particular, weakening of the Sri Lankan Rupee against the US Dollar can have adverse effects on the company's operating results through its impact on overheads incurred in Sri

The table below shows the Company's sensitivity to reasonable possible change in exchange rate of LKR against USD, assessed by the Company, while all other variables are held constant. The USD is the major currency in which Company's financial instruments are denominated after the Company's presentation and document currency - LKR. The impact of the movement in exchange rates on equity is given in the table below.

	Increase in income LKR	Increase in income LKR
	2020	**2019**
10% depreciation (2019 - 10% depreciation) of the LKR against USD	50,939	46,308
Net decrease in income	**50,939**	**46,308**

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

3 Financial risk management (Contd.)

3.1 Financial risk factors (Contd.)

(ii) Interest rate risk

The Company's interest rate risk arises from short - term borrowings. Borrowings issued at variable rates expose the company to interest rate risk which is determined by the Government Bond rate of the country in which the lender is domiciled.

(b) Credit risk

The credit risk arises from trade and other receivables. Refer Note 14(b) for further disclosures on credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 March 2020	Less than 1 year	Between 1 to 3 years	Total
Trade and other payables (excluding statutory liabilities)	50,400,958	Nil	50,400,958
	50,400,958	**Nil**	**50,400,958**

At 31 March 2019	Less than 1 year	Between 1 to 3 years	Total
Trade and other payables (excluding statutory liabilities)	46,613,944	Nil	46,613,944
	46,613,944	**Nil**	**46,613,944**

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The company assesses solvency prior to declaration of dividend to maintain the dividend ratio. In addition the Company may adjust intercompany receivables and payables in managing capital and solvency.

3.3 Fair value estimation

The Company had no financial instruments measured at fair value.

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Impairment of trade receivable

The Company assesses at the date of the statement of financial position whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of current status of existing receivable and historical collection experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

(b) Provisions

The Company recognises provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each statement of financial position date and adjusted to reflect the Company's current best estimate.

5 Changes in comparatives

Where necessary, comparative figures have been re-classified since mangement believes such reclassification gives a farier presentation and conforms with the current year's presentation.

6 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations.

7 Revenue from contract with customers

	2020	2019
Recruitment fee	2,728,637	13,264,167
Contract staffing	166,042,653	139,541,114
Facility management service	10,765,767	3,638,312
	179,537,057	**156,443,593**

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

8 Expenses by nature

	2020	2019
Directors' emoluments	Nil	Nil
Auditors' remuneration - audit fee	825,000	1,141,676
- non-audit fee	Nil	Nil
Depreciation on property, plant and equipment (Note 12)	1,099,323	1,047,558
Amortisation on intangible assets (Note 13)	Nil	Nil
Staff costs (Note 8.1)	39,831,170	58,491,689
Consultancy charges	196,275	978,012
Rent - Office	5,513,733	5,159,338
Provision for impairment of trade receivables	273,388	42,712,377
Utilities	2,435,797	2,346,405
Rates and taxes	282,644	589,237
Travelling expenses - Local	523,298	1,508,315
Travelling expenses - Foreign	1,039,008	1,222,120
Printing and stationery	597,829	768,333
Database login charges	1,622,966	2,079,491
Insurance	3,315,234	2,908,352
Maintenance expenses	640,422	249,346
Other expenses	186,870	222,450
Total administrative expenses	**58,382,957**	**121,424,699**

8.1 Staff costs

	2020	2019
Salaries and wages	40,383,593	36,077,113
Defined contribution plans	2,294,239	2,338,091
Defined benefit obligations (Note 19)	(10,000,000)	11,768,014
Staff incentive	5,555,578	6,674,200
Staff welfare	1,597,760	1,634,271
	39,831,170	**58,491,689**

Average monthly number of persons employed by the Company during the period:

Full time	29	30

9 Net finance expense / (income)

	2020	2019
Bank charges	912,018	636,810
Net exchange gain	2,197,757	(3,021,073)
Interest expenses	1,076,036	1,061,744
	4,185,811	**(1,322,519)**

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

10 Income tax expense

	2020	2019
Current income tax	40,448,322	10,351,352
Deferred income tax (credit) / charge (Note 18)	(22,753,211)	(4,309,805)
Income tax expense	**17,695,111**	**6,041,547**

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the basic rate of the Company as follows:

	2020	2019
Profit before income tax	117,342,421	36,341,413
Tax calculated at tax rate of 10% (2019 - 12%)	32,855,878	2,073,340
Tax calculated at tax rate of 28% (2019 - 28%)		424,660
Tax effects of:		
- Expenses not deductible for tax purposes	Nil	Nil
- Recognition of previously unrecognized deferred taxes	Nil	(4,309,805)
- Net adjustment due to change in tax rate	(15,160,767)	Nil
Income tax expense	**17,695,111**	**(1,811,805)**

The tax rate applicable to profits and income on taxable profit from supply of labour is 28% (2019 - 10%).

11 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of shares in issue during the year, as follows:

	2020	2019
Net profit attributable to shareholders	99,647,310	30,299,866
Weighted average number of ordinary shares in issue	1,216,284	1,216,284
Earnings per share	**81.93**	**24.91**

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

12 Property, plant and equipment

	Office equipment	Furniture and fittings	Computer equipment	Total
At 1 April 2017				
Cost	705,783	332,465	3,214,483	4,252,731
Accumulated depreciation	(705,783)	(315,513)	(2,452,532)	(3,473,828)
Net book amount	**Nil**	**16,952**	**761,951**	**778,903**
Period ended 31 March 2019				
Opening net book amount	Nil	890,819	1,816,405	2,707,224
Additions	266,222	114,000	329,314	709,535
Depreciation charge (Note 8)	(56,605)	(308,199)	(682,754)	(1,047,558)
Closing net book amount	**209,617**	**696,620**	**1,462,965**	**2,369,202**
At 31 March 2019				
Cost	972,005	1,598,360	5,134,634	7,704,998
Accumulated depreciation	(762,388)	(901,740)	(3,671,669)	(5,335,797)
Net book amount	**209,617**	**696,620**	**1,462,965**	**2,369,202**
Year ended 31 March 2020				
Opening net book amount	209,617	696,620	1,462,965	2,369,202
Additions	Nil	65,642	1,132,017	1,197,660
Depreciation charge (Note 8)	(66,555)	(316,474)	(716,294)	(1,099,323)
Closing net book amount	**143,061**	**445,789**	**1,878,688**	**2,467,539**
At 31 March 2020				
Cost	972,005	1,664,002	6,266,651	8,902,658
Accumulated depreciation	(828,943)	(1,218,214)	(4,387,963)	(6,435,120)
Net book amount	**143,061**	**445,789**	**1,878,688**	**2,467,538**

Cost and accumulated depreciation include fully depreciated office equipment of Rs 705,783, furniture and fittings of Rs 332,465, and computer equipment of Rs 2,680,311 at at 31 March 2020.

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

13 Intangible assets

	Computer software	Total
At 1 April 2018		
Cost	677,633	677,633
Accumulated amortisation	(677,633)	(677,633)
Net book amount	**Nil**	**Nil**
Period ended 31 March 2019		
Opening net book amount	Nil	Nil
Amortisation charge (Note 8)	Nil	Nil
Closing net book amount	**Nil**	**Nil**
At 31 March 2019		
Cost	677,633	677,633
Accumulated amortisation	(677,633)	(677,633)
Net book amount	**Nil**	**Nil**
Year ended 31 March 2020		
Opening net book amount	Nil	Nil
Amortisation charge (Note 8)	Nil	Nil
Closing net book amount	**Nil**	**Nil**
At 31 March 2020		
Cost		677,633
Accumulated amortisation		(677,633)
Net book amount	**Nil**	**Nil**

Net book value consists of 'Sage UBS HRM System' for employee data management amounting to cost Rs 163,710 and accumulated depreciation Rs 163,710; and ' Sage UBS Payroll System' for employee salary recording amounting to cost Rs 96,390 and accumulated depreciation Rs 96,390. Cost and accumulated depreciation include fully depreciated computer software amounting to Rs 677,633.

14 Trade and other receivables

	2020	2019
Trade receivables	458,606,654	374,727,650
Less: provision for impairment of trade receivables	(59,062,293)	(58,789,058)
Trade receivables - net	399,544,362	315,938,592
Prepayments	898,279	471,025
Deposits	1,513,780	1,513,780
Other receivables	1,619,313	622,173
	403,575,734	**318,545,570**

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

14 Trade and other receivables (Contd.)

The directors consider the carrying amount of the balance approximates its fair value. The carrying amounts of trade and other receivables are denominated in Sri Lanka Rupees.

Movement of the provision for impairment of trade receivables are as follows:

	2020	2019
1 April	58,789,058	25,035,452
Write off during the year	Nil	(8,958,771)
Provision during the year	273,388	42,712,377
At 31 March 2020	**59,062,446**	**58,789,058**

The creation and release of the provision for impaired receivables have been included in 'administrative expenses' in the income statement. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

Deposits mainly consist of refundable deposit made on building rent amounting to Rs 1,066,000 and Office premises Rs 417,780. Further information in this regard is disclosed in Note 25(c).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Company does not hold any collateral as security.

15 Cash and cash equivalents

	2020	2019
Cash at bank	110,680,303	47,466,283
Short term deposits	Nil	6,500,000
Cash in hand	Nil	Nil
Cash at bank and in hand	**110,680,303**	**53,966,283**

For the purposes of the statement of cash flows, the year-end cash and cash equivalents comprise of the following:

	2020	2019
Cash at bank and in hand	110,680,303	47,466,283
Short term deposits	Nil	6,500,000
	110,680,303	**53,966,283**

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

16 (a) Financial instruments by category

31 March 2020 **Assets as per statement of financial position**	Loans and receivables	Total
Trade and other receivables (excluding prepayments)	402,677,455	402,677,455
Cash and cash equivalents (Note 15)	110,680,303	110,680,303
	513,357,759	**513,357,759**

31 March 2020 **Liabilities as per statement of financial position**	Other financial liabilities	Total
Trade and other payables (excluding statutory liabilities)	50,400,958	50,400,958
	50,400,958	**50,400,958**

31 March 2019 **Assets as per statement of financial position**	Loans and receivables	Total
Trade and other receivables (excluding prepayments)	318,074,545	318,074,545
Cash and cash equivalents (Note 15)	53,966,283	53,966,283
	372,040,828	**372,040,828**

31 March 2019 **Liabilities as per statement of financial position**	Other financial liabilities	Total
Trade and other payables (excluding statutory liabilities)	46,613,944	46,613,944
	46,613,944	**46,613,944**

(b) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2020	2019
Trade receivables		
Counterparties without external credit rating		
Group 1		205,219,688
Group 2		110,718,904
Total unimpaired trade receivables	-	**315,938,592**

	2020	2019
Cash at bank		
AA(lka)		53,466,283
AAA(lka)		500,000
Total	-	**53,966,283**

- *Group 1 - Fully performing trade receivables (T to T + 3)*
- *Group 2 - Past due and not impaired (More than T to T + 3 but not impaired)*

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

17 Stated capital

	Ordinary shares	
	Number of shares	Value
Issued and fully paid		
At 31 March 2019	1,216,284	12,162,840
At 31 March 2020	**1,216,284**	**12,162,840**

18 Deferred income tax assets

Deferred income taxes are calculated on all temporary differences under the liability method using a weighted average tax rate of 10% (2019 - 10%).

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows :

	2020	2019
Deferred tax assets		
- Deferred tax asset to be recovered after more than 12 months	(31,179,909)	(8,426,697)
- Deferred tax asset to be recovered within 12 months	Nil	Nil
Deferred tax liabilities		
- Deferred tax liability to be recovered after more than 12 months	Nil	Nil
- Deferred tax liability to be recovered within 12 months	Nil	Nil
Deferred tax liabilities / (assets) - net	**(31,179,909)**	**(8,426,697)**

The gross movement of the deferred tax account is as follows:

	2020	2019
At 1 April 2019	(8,426,697)	(4,116,892)
Credit to income statement (Note 10)	(22,753,212)	(4,309,805)
At 31 March	**(31,179,909)**	**(8,426,697)**

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities/(assets)	**Accelerated tax depreciation**	**Retirement benefit obligations**	**Provision for impairment of receivables**	**Total**
At 1 April 2018	(3,112)	(1,610,234)	(2,503,546)	(4,116,892)
Charge/(credit) to the income statement	86,183	(1,020,627)	(3,375,360)	(4,309,805)
At 31 March 2019	**83,071**	**(2,630,861)**	**(5,878,906)**	**(8,426,697)**
At 1 April 2019	83,071	(2,630,861)	(5,878,906)	(8,426,697)
Charge/(credit) to the income statement	51,552	(13,906,624)	(8,898,140)	(22,753,212)
At 31 March 2020	**134,623**	**(16,537,485)**	**(14,777,046)**	**(31,179,909)**

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

19 Defined benefit obligations

The amounts recognised in the statement of financial position are determined as follows:

	2020	2019
At 1 April 2019	26,308,616	16,102,344
Payments made during the year	Nil	(1,561,742)
Charge for the year	26,466,550	11,768,014
At 31 March 2020	**52,775,166**	**26,308,616**

20 Trade and other payables

	2020	2019
Trade payables	1,197,913	344,571
Payables to related parties (Note 25(d))	49,203,044	46,269,373
Accrued expenses and other payables	117,258,082	87,776,351
	167,659,039	**134,390,295**

Other payables mainly consist of Salary payable amounting to Rs 60,609,509 (31 March 2019 - Rs 33,130,816), EPF/ETF payable amounting to Rs 18,452,358 (31 March 2019 - Rs 13,941,103) and VAT payable amounting to Rs 9,880,319 (31 March 2019 - Rs 26,116,182) and advance from Customers amounting to Rs 25,952,874 (31 Mar 2019- Rs 4,289,262).

21 Current income tax liabilities

	2020	2019
Balance at 1 April 2019	2,376,977	1,938,797
Provision during the year	40,448,322	10,351,352
Income tax paid	(35,235,197)	(9,913,172)
Balance at 31 March	**7,590,103**	**2,376,977**

22 Cash generated from operations

Reconciliation of profit before income tax to cash generated from operations:

	2020	2019
Profit before income tax	117,342,421	36,341,413
Adjustments for:		
Net finance expense / (income) (Note 9)	4,185,811	(1,322,519)
Depreciation (Note 12)	1,099,323	1,047,558
Defined benefit obligations	(10,000,000)	11,768,014
Changes in working capital		
- (Increase) / decrease in trade and other receivables	(48,563,613)	(78,626,809)
- Increase / (decrease) in trade and other payables	33,268,744	55,527,403
Cash generated from operations	**97,332,687**	**24,735,060**

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QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

23 Contingent liabilities

There were no material contingent liabilities outstanding at the statement of financial position date.

24 Commitments

Capital commitments

There were no material capital commitments outstanding at the statement of financial position date.

Financial commitments

There were no material financial commitments outstanding at the statement of financial position date.

25 Directors' interests in contracts and related party transactions

(a) The directors' interests in the shares of the Company on the statement of financial position date were as follows:

	Number of shares	
	2020	2019
Name of the directors		
Mr. Vijay Sivaram	Nil	Nil
Mr. Guruprasad Srinivasan	Nil	Nil
Mr. Amitabh Jaipuria	Nil	Nil

(b) Key management compensation

Key management includes directors (executive and non executive), and other key management personnel. The compensation paid or payable to key management for employee services is shown here.

	2020	2019
Salaries and other short term employee benefits	**Nil**	**Nil**

(c) Receivable from related parties

	2020	2019
Receivable from General Manager	Nil	1,066,000
	Nil	**1,066,000**

(d) Payable to related parties

	2020	2019
Quess Holdings PTE Ltd - Loan amount	49,203,044	45,264,268
- Interest payable	2,078,514	1,005,104
	46,269,373	**46,269,373**

QUESS CORP LANKA (PRIVATE) LIMITED

Notes to the financial statements (Contd.)

25 Directors' interests in contracts and related party transactions (Contd.)

(d) Payable to related parties

Loan is repayable within a period not exceeding twelve (12) months from the date of disbursement. Interest is payale monthly at the Government Bond rate of the country in which the lender is domiciled.

(e) Transactions with related parties

	2020	2019
Quess Holdings PTE Ltd		
Proceeds from short term loan	Nil	Nil
Translation of short term loan - Exchange loss	1,860,262	3,334,533
Provision for Interest on short term loan facility	1,073,410	1,005,104
	2,933,672	**4,339,637**

26 Events after the reporting period

No significant events have occurred since the statement of financial position date, which would require adjustments to, or disclosure in the financial statements.

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Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

REPORTS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

CONTENTS

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31st March 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are providing services and consultancy and secondment of staff in information technology solutions and software development.

There have been no significant changes in these activities during the financial year.

FINANCIAL RESULTS

	RM
Net profit for the financial year after income tax	1,966,021

DIVIDENDS

The directors did not propose any final dividends for the financial year ended 31st March 2020.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year under review.

ISSUE OF SHARES

The Company did not issue any new shares during the financial year.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to date of the report are:-

Vijay Sivaram
Guruprasad Srinivasan

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than disclosed in the Directors Remunerations in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Company Registration No: 201501001731 (1127063 A)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares of the Company and its related corporations were as follows:-

	Number of Ordinary Shares			
	As at 1.4.2019	Bought	Sold	As at 31.3.2020
Ultimate holding company				
-Quess Corp Limited				
Vijay Sivaram				
-Direct interest	83,394	-	(31,342)	52,052
Guruprasad Srinivasan				
-Direct interest	100,599	58	(12,000)	88,657

All the above directors have interest in shares of the Company to the extent of their shareholdings in ultimate holding company, Quess Corp Limited.

DIRECTORS REMUNERATIONS

The amounts of the remunerations of the directors of the Company comprising remuneration received from the Company during the year are as follows:

	2020
	RM
Emoluments	628,363

None of the directors of the Company have received any other benefits otherwise than in cash from the Company during the year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company by the directors of the Company during the year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts have been written off and adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability in respect of the Company which has arisen since the end of the financial year.

No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the directors:

(a) the results of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during the year, for any person who is the director, officer or auditor of the Company.

ULTIMATE HOLDING COMPANY

The directors regard Quess Corp Limited (Company No: U74140KA2007PLC043909), a company incorporated in India as the ultimate holding company.

HOLDING COMPANY

The directors regard Quesscorp Holdings Pte Ltd (Company No: 201526129N), a company incorporated in Singapore as the holding company.

AUDITORS REMUNERATIONS

Total amount paid to or receivable by the auditors as remuneration for their service as auditors is disclosed in Note 15 to the financial statements.

Company Registration No: 201501001731 (1127063 A)

AUDITORS

The auditors, Messrs HALS & Associates have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 2 2 MAY 2020

Signed in accordance with a resolution of the directors:

VIJAY SIVARAM	)	Directors
GURUPRASAD SRINIVASAN	)	

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2020

	Note	2020 RM	2019 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	176,078	174,529
Investment in associate	8	122,500	122,500
Total non-current assets		298,578	297,029
CURRENT ASSETS			
Trade and other receivables	9	14,060,918	11,972,862
Deposits and prepayments		385,008	451,074
Cash and cash equivalents	10	3,230,795	3,224,525
Total current assets		17,676,721	15,648,461
TOTAL ASSETS		17,975,299	15,945,490
EQUITY			
Share capital	11	500,000	500,000
Retained profit		7,355,389	5,389,368
Total equity		7,855,389	5,889,368
CURRENT LIABILITIES			
Trade and other payables	12	9,231,530	9,580,994
Bank overdraft	13	719,287	475,128
Current tax liabilities		169,093	-
Total current liabilities		10,119,910	10,056,122
TOTAL LIABILITIES		10,119,910	10,056,122
TOTAL EQUITY AND LIABILITIES		17,975,299	15,945,490

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 23.

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2020

	Note	2020 RM	2019 RM
REVENUE	14	44,745,943	42,090,523
Less: COST OF SALES		(37,518,778)	(35,900,636)
GROSS PROFIT		7,227,165	6,189,887
Other operating income		45,128	47,643
Administrative expenses		(4,575,025)	(3,269,533)
Profit from operations	15	2,697,268	2,967,997
Finance cost	16	(184,429)	(135,460)
Profit before taxation		2,512,839	2,832,537
Taxation	17	(546,818)	(4,283)
Profit for the year		1,966,021	2,828,254

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 23.

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

	Share Capital RM	Retained Earnings RM	Total Equity RM
Balance at 1st April 2018	500,000	2,561,114	3,061,114
Non-owner changes in equity			
Profit for the year	-	2,828,254	2,828,254
Total comprehensive income for the year	-	2,828,254	2,828,254
Balance at 31st March 2019	500,000	5,389,368	5,889,368
Non-owner changes in equity			
Profit for the year	-	1,966,021	1,966,021
Total comprehensive income for the year	-	1,966,021	1,966,021
Balance at 31st March 2020	500,000	7,355,389	7,855,389

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 23.

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2020

	Note	2020 RM	2019 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		2,512,839	2,832,537
Adjustments for:			
Allowance for doubtful debts		455,682	28,126
Bad debt written off		-	32,255
Interest expenses		184,429	135,460
Interest income		(42,257)	(2,980)
Unrealised gain on foreign exchange		(2,871)	(40,727)
Unrealised loss on foreign exchange		-	36,757
Depreciation		111,781	56,368
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		3,219,603	3,077,796
Increase in receivables		(2,477,672)	(4,895,011)
(Decrease)/Increase in payables		(349,465)	2,277,909
CASH GENERATED FROM OPERATING ACTIVITIES		392,466	460,694
Interest income		42,257	2,980
Interest expenses		(184,429)	(135,460)
Tax paid		(377,724)	(609,283)
NET CASH USED IN OPERATING ACTIVITIES		(127,430)	(281,069)
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in associate		-	(122,500)
Purchase of property, plant and equipment		(113,330)	(105,961)
NET CASH USED IN INVESTING ACTIVITIES		(113,330)	(228,461)
Unrealised gain on cash and cash equivalents		2,871	-
Net decrease in cash and cash equivalents		(240,760)	(509,530)
Cash and cash equivalents at beginning of the year		2,749,397	3,258,927
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	18	2,511,508	2,749,397

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 23.

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2020

1. GENERAL

The financial statements of the Company are presented in Ringgit Malaysia (RM) which is the Company's functional currency. All financial information is presented in RM.

The Company was incorporated and domiciled in Malaysia as a private company limited by shares. It is resident in Malaysia with its registered office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur and the principal place of business at Unit 25-13A, Level 25, Q Sentral, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are providing services and consultancy and secondment of staff in information technology solutions and software development. There have been no significant changes in these activities during the financial year.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") issued by Malaysian Accounting Standards Board's ("MASB") and the provisions of the Companies Act 2016.

4. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements of the Company have been approved by the Board of Directors for issuance on....2 2 MAY 2020....

5. BASIS OF PREPARATION

5.1 Basis of Measurement

The financial statements of the Company have been prepared using cost bases (which include historical cost, amortised cost, and lower of cost and net realizable value) and fair value bases.

5.2 Critical Judgements and Estimates Uncertainty

The preparation of the financial statements in conformity with MPERS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognized in the financial statements other than as disclosed below:-

A. Estimation Uncertainty

(a) **Loss Allowance of Financial Assets**

The Company recognizes impairment losses for loans and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Company's past experience of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Company's financial position and results.

(b) **Depreciation of Property, Plant and Equipment**

The cost of an item of property, plant and equipment is depreciated on the straight line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual value. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

(c) **Measurement of Income Taxes**

Significant judgement is required in determining the Company's provision for current and deferred taxes because the ultimate tax liability for the Company as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities in each jurisdiction, the amounts might be different for the initial estimates of the taxes payables. Such differences may impact the current and deferred taxes in the period where such determination is made. The Company will adjust for the differences as over or under provision of current or deferred taxes in the current period in which those differences arise.

6. SIGNIFICANT ACCOUNTING POLICIES

(a) Property, Plant and Equipment

(i) Recognition and Measurement

All property, plant and equipment are initially measured at cost.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. The cost of self constructed assets also includes the cost of direct and indirect cost of construction.

For an exchange of non-monetary assets that has a commercial substance, cost is measured by reference to the fair value of the asset received.

All property, plant and equipment are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amounts of property, plant and equipment and is recognized net within "other income" or "other expenses" respectively in profit or loss.

(ii) **Subsequent costs**

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized to profit or loss. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) **Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. The annual rates used are as follows:-

	%
Computer	20
Software	20
Furniture and fittings	20
Renovation	33.33

At the end of each reporting period, the residual values, useful life and depreciation method for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

(b) **Impairment of non-financial assets**

The carrying amounts of non-financial assets (ie. property, plant and equipment) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset, if an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and the value in use. The Company determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on: (i) price in a sale agreement, (ii) market price traded in an active market; and (iii) estimate of market price using the best information available. The value in use is estimated by discounting the net cash inflows (by an appropriate pre-tax discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecast cash flows.

An impairment loss is recognized if the carrying amount of an asset or its related cash- generating unit exceeds its estimated recoverable amount.

For an asset measured on a cost-based model, any impairment loss is recognized in profit or loss. For a property, plant and equipment measured on the revaluation model, any impairment loss is treated as a revaluation decrease.

The Company reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognized previously may have reversed.

Any reversal of impairment loss for an asset carried at a cost-based model is recognized in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognized previously.

(c) **Financial instruments**

(i) **Initial recognition and measurement**

A financial asset or financial liability is recognised in the statement of financial position when, and only when the Company becomes a party to the contractual provisions of the instruments.

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through profit or loss, transaction cost are expensed to profit or loss when incurred) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instruments.

(ii) **Subsequent measurement**

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely: (i) financial assets at fair value through profit or loss, and (ii) financial assets at amortised costs.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 6c(v).

After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method.

(iii) **Fair Value Measurement of Financial Instruments**

All other financial assets or liabilities not measured at amortised cost or cost less impairment are measured at fair value with changes recognised in profit or loss.

The fair value is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique.

(iv) **Recognition of Gains and Losses**

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognized in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognized in profit or loss only when the financial asset or financial liability is derecognized or impaired, and through the amortization process of the instruments.

(v) **Impairment and Uncollectibility of Financial Assets**

The Company applies the incurred loss model to recognise impairment losses of financial assets. At the end of each reporting period, the Company examines whether there is any objective evidence that a financial asset (except for financial assets measured at fair value through profit or loss) or a group of financial assets is impaired.

An impairment loss is measured as follows:-

* For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

* For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

(vi) **Derecognition**

A financial asset or part of it is derecognized when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of financial asset, the difference between the carrying amount of the financial asset derecognized and the consideration received, including any newly created rights, and obligations, is recognized in profit or loss.

A financial liability or part of it is derecognized when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(d) **Equity Instruments**

Ordinary shares classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(e) **Revenue Recognition**

Revenue from services rendered is recognized in profit or loss upon services rendered and acceptance by customers.

(f) **Income Tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is provided by the balance sheet liability method based on all taxable temporary differences by comparing carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax is not recognized if the temporary differences arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time the transaction, affects neither accounting profit nor taxable profits.

Deferred tax is measured at the tax rates that is expected to be applied to the temporary differences when they reverse, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credit can be utilized.

Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets , and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realized simultaneously.

(g) **Cash and Cash Equivalents**

Cash and cash equivalents consists of cash in hand, bank balances, deposits with bank and highly liquid investments with maturing within three months from the date of acquisition which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(h) **Employee Benefits**

(i) **Short term employee benefits**

Short term employee benefits in respect of wages, salaries, social security contributions, paid annual leaves, paid sick leaves, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed in the financial period when employees have rendered their services to the Company.

Bonuses are recognised as an expense when there is a present, legal or constructive obligations to make such payments, as a result of past services provided by employees and when a reliable estimate can be made of the amount of the obligations.

(ii) **Defined contribution plan**

The Company makes contributions to a statutory provident fund and recognise the contribution payable as an expense in the financial year in which the employees render their services. Once the contributions have been paid, the Company have no further payment obligations.

(i) **Associates**

Associates are entities including unincorporated entities in which the Company has significant influence but not control over the financial and operating policies.

Investments in associates are accounted for in the financial statements using the cost method less any impairment losses. Income is recognised only to the extent of dividend received.

(j) **Currency Conversion**

Transactions denominated in foreign currencies are translated and recorded at the exchange rates prevailing at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currency are retranslated at the rates prevailing at the end of the period (ie. closing rate). Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair value were determined. Non-monetary items that are measured at their historical costs amounts continue to be translated at their respective historical rates and are not retranslated.

All exchange gain or losses, including those arising from translation, are taken up in profit or loss.

7. PROPERTY, PLANT AND EQUIPMENT

Cost:	At 1st April 2019 RM	Addition RM	Disposal RM	At 31st March 2020 RM
Computer	85,067	17,329	-	102,396
Software	28,838	5,830	-	34,668
Furniture and fittings	182,969	2,215	-	185,184
Renovation	-	87,956	-	87,956
Total	296,874	113,330	-	410,204

Accumulated Depreciation:	At 1st April 2019 RM	Charge for the year RM	Disposal RM	At 31st March 2020 RM	Carrying amount 31st March 2020 RM	Carrying amount 31st March 2019 RM
Computer	30,119	18,089	-	48,208	54,188	54,948
Software	10,002	6,024	-	16,026	18,642	18,836
Furniture and fittings	82,224	36,588	-	118,812	66,372	100,745
Renovation	-	51,080	-	51,080	36,876	-
Total	122,345	111,781	-	234,126	176,078	174,529

8. INVESTMENT IN ASSOCIATE

	2020 RM	2019 RM
Investment in unquoted shares	122,500	122,500

The details of associate are as follows:-

Name of Entity	Country of Incorporation	Principal activities	Effective ownership interest 2020 %	2019 %
Agensi Pekerjaan Quess Recruit Sdn Bhd	Malaysia	Dormant	49	49

9. TRADE AND OTHER RECEIVABLES

	2020 RM	2019 RM
Current:		
Trade receivables	12,921,499	11,065,844
Other receivables	882,266	169,820
Amount due from related company	740,961	765,324
Total at cost	14,544,726	12,000,988
Less:		
Accumulated impairment losses (**)	(483,808)	(28,126)
	14,060,918	11,972,862

** Movement of impairment losses:

	2020 RM	2019 RM
Balance at beginning of the year	28,126	-
Allowance for doubtful debts recognised in in profit or loss	455,682	28,126
Balance at end of the year	483,808	28,126

Included in other receivables balance is RM139,912 which carries interest rates of 7.00% per annum. The rest of other receivables balances represent non trade advances/loan made and are unsecured, interest free and repayable on demand.

Amount due from related company are unsecured, repayable on demand and carries interest rate of 2.25% per annum.

Included in trade receivables is RM105,197 (2019:RM Nil) due from Quess Corp Limited, an ultimate holding company and RM159,726 (2019:RM Nil) due from related parties of the Company.

10. CASH AND CASH EQUIVALENTS

	2020 RM	2019 RM
Cash and bank balances	1,229,441	3,224,525
Short term deposit with licensed bank	2,001,354	-
	3,230,795	3,224,525

11. SHARE CAPITAL

	2020 RM	2019 RM
Issued and fully paid:		
500,000 Ordinary shares	500,000	500,000

The ordinary shares of the Company has no par value.

12. TRADE AND OTHER PAYABLES

	2020 RM	2019 RM
Other payables and accruals	2,367,494	2,869,951
Amount due to holding company	6,864,036	6,711,043
	9,231,530	9,580,994

The directors regard Quess Corp Limited (Company No: U74140KA2007PLCO43909), a company incorporated in India as the ultimate holding company.

The directors regard Quesscorp Holdings Pte Ltd (Company No. 201526129N), a company incorporated in Singapore as the holding company.

Amount due to holding company represent loan/advances made and are unsecured, bears interest rate of 2.25% and repayable on demand.

13. BANK OVERDRAFT

The bank overdraft facility is guaranteed in the form of fresh corporate guarantee by the Company's ultimate holding company, Quess Corp Limited and bears interest rate of 2% plus bank's base lending rate("BLR").

14. REVENUE

Revenue represents the invoiced value of services rendered net of discounts.

15. PROFIT FROM OPERATIONS

	2020 RM	2019 RM
Profit from operations before taxation is stated after charging/(crediting):-		
Audit fee	21,000	20,000
Bad debts written off	-	32,255
Employee salary and allowances	35,891,169	34,557,104
Contribution to defined plan("EPF")	3,001,108	2,311,666
Directors emoluments	628,363	507,278
Realised loss on foreign exchange	24,135	19,879
Realised gain on foreign exchange	-	(3,936)
Unrealised loss on foreign exchange	-	36,757
Unrealised gain on foreign exchange	(2,871)	(40,727)

16. FINANCE COST

	2020 RM	2019 RM
Interest charges	184,429	135,460

17. TAXATION

	2020 RM	2019 RM
Current year's provision	386,000	-
Underprovision in prior year	160,818	4,283
	546,818	4,283

The Company has been granted Multimedia Supercoridor (MSC) status by the authority and eligible for pioneer status tax incentive from 7 July 2016 to 6 July 2021. As a result, the chargeable income of the Company are exempted from tax during the tax incentive period.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:-

	2020	**2019**
	RM	**RM**
Profit before taxation	2,512,839	2,832,537
Taxation at Malaysian Statutory tax rate at 24% (2019: 24%)	603,081	679,809
Expenses not deductible for tax purposes	181,171	40,505
Underprovision of tax in prior year	160,818	4,283
Income exempted from tax	(403,872)	(720,736)
Deferred tax assets not recognised on property, plant and equipment	5,620	422
Tax expense for the year	546,818	4,283

The above are subject to the approval of the tax authorities.

18. CASH AND CASH EQUIVALENTS

	2020	**2019**
	RM	**RM**
Cash and bank balances	1,229,441	3,224,525
Short term deposit with licensed bank	2,001,354	-
Less: Bank overdraft	(719,287)	(475,128)
	2,511,508	2,749,397

19. FINANCIAL INSTRUMENTS

19.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorized as follows:-

(a) Financial assets and financial liabilities measured at amortised cost ("AC").

2020 **Financial assets**	**Carrying Amount** **RM**	**AC** **RM**
Trade and other receivables	14,060,918	14,060,918
Deposit	69,229	69,229
Cash and cash equivalents	3,230,795	3,230,795
	17,360,942	17,360,942
Financial liabilities		
Trade and other payables	9,231,530	9,231,530
Bank overdraft	719,287	719,287
	9,950,817	9,950,817

2019 **Financial assets**	**Carrying Amount** **RM**	**AC** **RM**
Trade and other receivables	11,972,862	11,972,862
Deposit	298,482	298,482
Cash and cash equivalents	3,224,525	3,224,525
	15,495,869	15,495,869
Financial liabilities		
Trade and other payables	9,580,994	9,580,994
Bank overdraft	475,128	475,128
	10,056,122	10,056,122

20. RELATED PARTIES

The significant related parties transactions of the Company are disclosed below:-

	2020 RM	2019 RM
Key management personnel compensation		
Directors:-		
- Emoluments	628,363	507,278
Quesscorp Holdings Pte Ltd, holding company		
- Interest charges	152,993	134,068
Quess Phillipines Corp		
- Interest income	17,695	-
Quess Corp Limited, ultimate holding company		
- Sales	147,527	-
Allsec Technologies Limited, related company		
- Sales	108,587	-
Comtelink Sdn Bhd, related company		
- Sales	47,615	-
Agensi Pekerjaan Monster Malaysia Sdn Bhd, related company		
- Sales	12,225	-
Heptagon Technologies Private Limited, related company		
- Sales	5,000	-
- Cost of contract (salary)	221,540	-

The related parties balances are disclosed in Note 9 and 12 to the financial statements.

21. EMPLOYEES

The number of employees at the end of the financial year are as follows:-

	2020 No.	2019 No.
Directors	2	2
Employees	1,042	845
	1,044	847

22. SIGNIFICANT EVENT

On 16th March 2020, Malaysia Government had announced the imposition of Movement Control Order ("MCO") nationwide to curb spreading of COVID-19 in Malaysia, pursuant to the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1987. The MCO was succeeded by Conditional Movement Control Order ("CMCO") on 4 May 2020 which has not been lifted to date.

Before these financial statements were made out, the Board of Directors had considered the impact of COVID-19 outbreak in Malaysia, which would have affected the financial position, performance and cash flow of the Company as ended on the reporting date thereon.

The Management concluded that the impact of the events from this Covid-19 outbreak has not significantly affected the fair value of the financial assets/liabilities and non-financial assets of the Company including the classification of current and non-current items that were presented on the reporting date.

Given the current economic circumstances, it was difficult for the Management to ascertain the financial position, performance and cash flow of the Company for the period ending on the next 12 months from the date of this report. Despite facing such challenge, the Company is currently implementing operational measures to boost its revenue and to lower the operating cost structure by adopting a midterm strategy. The shareholders have also indicated their willingness to provide continuous financial support to the Company in order to meet its payment obligation of the debts, as when they fall due within the next twelve months from the date of this report.

Company Registration No: 201501001731 (1127063 A)

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, VIJAY SIVARAM and GURUPRASAD SRINIVASAN, being two of the directors of QUESSGLOBAL (MALAYSIA) SDN. BHD., do hereby state that in our opinion, the financial statements set out on pages 5 to 23 are drawn up so as to give a true and fair view of the financial position of the Company as at 31st March 2020 and financial performance of the Company for the financial year ended 31st March 2020 in accordance with the Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated

22 MAY 2020

VIJAY SIVARAM

GURUPRASAD SRINIVASAN

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, VIJAY SIVARAM, Passport No.Z5177137, being the director primarily responsible for the accounting records and financial management of QUESSGLOBAL (MALAYSIA) SDN. BHD., do solemnly and sincerely declare that the financial statements set out on pages 5 to 23 of the Company are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true by virtue of the provisions of the Notaries Act 1952.

Subscribed and solemnly declared by the abovenamed at

Before me,

VIJAY SIVARAM

B.M. CHANDRASHEKAR NOTARY BANGALORE No: LAW 408 LCL 98 GOVT. OF KARNATAKA

SWORN TO BEFORE ME
B.M. CHANDRASHEKAR
Advocate & Notary Public
47, B.D.A. Complex, Koramangala,
BANGALORE - 560 034.
22 MAY 2020

HALS & Associates
Chartered Accountants
AF No: 0755

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
QUESSGLOBAL (MALAYSIA) SDN. BHD.**
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Quessglobal (Malaysia) Sdn. Bhd. which comprise the statement of financial position as at 31st March 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 23.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2020 and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Suite 1602, 16th Floor, Wisma Lim Foo Yong, 86 Jalan Raja Chulan, 50200 Kuala Lumpur
Tel :03-21105545/03-27320322(Hunting) Fax :03-21423116

Emphasis of Matter

It is stated in Note 22 in the financial statements, the situation of Malaysian Government imposing the Movement Control Order ("MCO") due to outbreak of Covid-19 in the country. This MCO began on 18th March 2020 and it was succeeded by Conditional Movement Control Order ("CMCO") which has not been lifted todate. All these events or conditions, or any subsequent uncertain event or circumstance, along with other matters as outlined in Note 22, have restricted the Company's ability to ascertain the impact of any future event that could affect the financial position, performance and cash flow of the Company for a next twelve months period from the date of this report. As such, the Company's ability to continue as a going concern could be affected. The Company is currently implementing operational measures to boost its revenue and to lower the operating cost structure by adopting a midterm strategy. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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.

Company Registration No: 201501001731 (1127063 A)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

* Identify and assess the risks of material misstatement of the financial statements of the Company, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

* Conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

* Evaluate the overall presentations, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Company Registration No: 201501001731 (1127063 A)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HALS & ASSOCIATES
A.F. 0755
CHARTERED ACCOUNTANTS

Lim Kian Keong
Bil 02043/09/2020 J
Partner

KUALA LUMPUR

DATE: 22 MAY 2020

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

The pages which follow do not

form part of the Statutory

financial statements of the Company

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2020

	2020 RM	2019 RM
REVENUE	44,745,943	42,090,523
Less: COST OF SALES		
Contract salary, wages and other direct cost	(37,518,778)	(35,900,636)
GROSS PROFIT	7,227,165	6,189,887
OTHER INCOME		
Miscellanous income	45,128	47,643
	7,272,293	6,237,530
Less:		
ADMINISTRATIVE EXPENSES (Schedule I)	(4,575,025)	(3,269,533)
FINANCE COST (Schedule II)	(184,429)	(135,460)
	(4,759,454)	(3,404,993)
PROFIT BEFORE TAXATION	2,512,839	2,832,537

Schedule I

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31ST MARCH 2020

	2020 RM	2019 RM
Allowance for doubtful debt	455,682	28,126
Advertisement	15,932	2,742
Audit fee	21,000	20,000
Bad debts written off	-	32,255
Bank charges	10,997	5,408
Courier and postage	3,330	4,172
Depreciation	111,781	56,368
Directors emoluments	628,363	507,278
Electricity	7,925	10,399
EPF and Socso	266,293	222,989
General expenses	2,162	435
GST not claimable	-	(54)
Login cost	84,244	94,031
Maintenance	37,773	61,568
Membership fee	13,050	-
Office rental	169,009	159,527
Penalty	69,653	24,831
Printing and stationery	17,331	28,312
Professional and legal fee	44,032	33,591
Realised loss on foreign exchange	24,135	19,879
Salary, bonus and EIS	2,373,643	1,695,258
Secretarial fee	4,675	5,184
Staff welfare	60,367	28,561
Telephone	97,965	108,414
Travelling expenses	55,118	79,877
Unrealised loss on foreign exchange	-	36,757
Work permit	565	3,625
	4,575,025	3,269,533

QUESSGLOBAL (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

FINANCE COST
FOR THE YEAR ENDED 31ST MARCH 2020

	2020	2019
	RM	RM
Interest charges	184,429	135,460

MONSTER.COM.SG PTE LIMITED

Company Reg. No.: 200004227N

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

1 Coleman Street #05-16 The Adelphi Singapore 179803
Tel: (65) 6837 0360 Fax: (65) 6837 0369
Email: enquiry@jdt.com.sg website: www.jdt.com.sg
Incorporated with Limited liability Regn No.201431978R

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.: 200004227N)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

C O N T E N T S

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The directors are pleased to present their statement to the member together with the audited financial statements of Monster.com.sg Pte Limited (the "Company") for the financial year ended 31 March 2020.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, with the continuing financial support from the immediate holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Sandro Lang	
Vijay Sivaram	
Keckeis Roman Werner	
Rajesh Kharidehal	Appointed on 19 August 2019
Ramakrishnan Subramanian	Appointed on 19 August 2019

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of the financial year nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the Company holding office at the end of the financial period had no interest of the share capital or debentures of the Company and its related corporation at the beginning and end of the financial period as recorded in the register of directors, shareholdings kept by the Company under section 164 of the Singapore Companies Act, Cap. 50.

5. SHARES OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6. INDEPENDENT AUDITOR

The independent auditor, Caulfield International PAC, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

....
Ramakrishnan Subramanian
Director

....
Rajesh Kharidehal
Director

Singapore

05 MAY 2020

Caulfield International PAC
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF

MONSTER.COM.SG PTE LIMITED

Report on the Audit of The Financial Statements

Opinion

We have audited the financial statements of Monster.com.sg Pte Limited (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 in the financial statement, which indicates that the Company incurred a capital deficits of S$73,478 as at financial year ended 31 March 2020 and, as of that date, the Company's current liabilities exceeded its total assets by S$73,478. As stated in Note 2.2, these events or conditions, along with other matters as set forth in Note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

However, the accompanying financial statements have been prepared on a going concern basis as the immediate and ultimate holding company has undertaken to provide continuing financial support to enable the Company to meets its liability as and when they fall due within 12 months from the date of statement of financial position as at 31 March 2020.

1 Coleman Street #05-16 The Adelphi Singapore 179803
Tel: (65) 6837 0360 Fax: (65) 6837 0369
Email: enquiry@jdt.com.sg website: www.jdt.com.sg
Incorporated with Limited liability Regn No.201431978R

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement on pages 1 to 2.

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

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducts in accordance with SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

CAULFIELD INTERNATIONAL PAC
Public Accountants and
Chartered Accountants

Singapore

(Signing partner: Yeoh Boon Hon)

0 5 MAY 2020

1 Coleman Street #05-16 The Adelphi Singapore 179803
Tel: (65) 6837 0360 Fax: (65) 6837 0369
Email: enquiry@jdt.com.sg website: www.jdt.com.sg
Incorporated with Limited liability Regn No.201431978R

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.:200004227N)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 S$	2019 S$
ASSETS			
Non-current assets:			
Plant and equipment	4	8,569	17,667
Intangible assets under development	5	163,727	-
Right of use assets	6	17,646	-
Total non-current assets		189,942	17,667
Current assets:			
Trade and other receivables	7	5,611,623	5,753,048
Cash and cash equivalents	8	1,467,958	2,169,120
Total current assets		7,079,581	7,922,168
TOTAL ASSETS		7,269,523	7,939,835
EQUITY AND LIABILITIES			
Equity			
Share capital	9	2	2
Accumulated losses		(73,480)	(275,760)
Equity attributable to the owners of the company		(73,478)	(275,758)
Current liabilities:			
Trade and other payables	10	7,295,499	8,189,003
Income tax payable		29,011	26,590
Lease liability	11	18,491	-
Total current liabilities		7,343,001	8,215,593
TOTAL EQUITY AND LIABILITIES		7,269,523	7,939,835

The accompanying notes form an integral part of these financial statements.

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.:200004227N)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 S$	2019 S$
Revenue	12	5,001,482	5,120,229
Other income	13	56,394	88,970
		5,057,876	5,209,199
Item of expenses:			
Subcontractor charges		(1,249,430)	(1,219,541)
Employee benefits	14	(1,983,251)	(2,090,850)
Depreciation of plant and equipment	4	(14,048)	(14,949)
Depreciation of right of use assets	6	(105,878)	-
Selling and distributions costs		(382,816)	(1,202,709)
Administrative expenses		(1,112,934)	(1,748,398)
Finance cost		(7,239)	-
Profit / (Loss) before income tax	15	202,280	(1,067,248)
Income tax expense	16	-	-
Profit / (Loss) after income tax		202,280	(1,067,248)
Other comprehensive income:-			
Item that may be reclassified subsequently to profit or loss		-	-
Item that will not be reclassified subsequently to profit or loss		-	-
Other comprehensive income, net of tax		-	-
Total comprehensive income / (loss) for the year		202,280	(1,067,248)

The accompanying notes form an integral part of these financial statements.

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.:200004227N)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Share capital S$	(Accumulated losses) / Retained earnings S$	Total S$
Balance as at 1 April 2019		2	(275,760)	(275,758)
Profit for the year, representing total comprehensive income for the year		-	202,280	202,280
Balance as at 31 March 2020		2	(73,480)	(73,478)
Balance as at 1 April 2018		2	791,488	791,490
Loss for the year, representing total comprehensive loss for the year		-	(1,067,248)	(1,067,248)
Balance as at 31 March 2019		2	(275,760)	(275,758)

The accompanying notes form an integral part of these financial statements.

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.:200004227N)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 S$	2019 S$
Cash flows from operating activities			
Profit / (Loss) after income tax		202,280	(1,067,248)
Adjustments for:			
Depreciation of plant and equipments	4	14,048	14,949
Depreciation of right of use assest	6	105,878	-
Interest expense on lease liability		7,239	-
Expected credit loss on trade receivables		20,514	11,050
		349,959	(1,041,249)
Changes in working capital:			
Trade and other receivables		120,911	(2,290,921)
Trade and other payables		(893,504)	2,121,484
Cash used in operations		(422,634)	(1,210,686)
Income tax refund / (paid)		2,421	(92,563)
Net cash used in operating activities		(420,213)	(1,303,249)
Cash flows from investing activities			
Acquisition of plant and equipment	4	(4,950)	-
Acquisition of intangible assets	5	(163,727)	-
Net cash used in investing activities		(168,677)	-
Cash flows from financing activities			
Payment on principal portion of lease liability	A	(105,033)	-
Interest expenses on lease liability		(7,239)	-
Net cash used in financing activities		(112,272)	-
Net decrease in cash and cash equivalents		(701,162)	(1,303,249)
Cash and cash equivalents at beginning of the year		2,169,120	3,472,369
Cash and cash equivalents at end of the year		1,467,958	2,169,120

Note A: Reconciliation of liabilities arising from financing activities

	1 April 2019 S$	New lease liabilities S$	Financing cash flows S$	31 March 2020 S$
Lease liabilities	-	123,524	(105,033)	18,491

The accompanying notes form an integral part of these financial statements.

These notes form an integral part and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The Company is a private company limited by shares, and incorporated and domiciled in the Republic of Singapore.

The registered office and principal place of business address is 100 Beach Road #27-08/13 Shaw Tower Singapore 189702.

The immediate holding and ultimate holding companies are Quesscorp Holdings Pte Ltd, a company incorporated in Singapore and Quess Corp Limited, a company incorporated in India, respectively.

The principal activities of the Company are those of the business of a web-based employment placement and career services agency. There have been no significant changes in the nature of these activities during the financial period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (S$), which is the Company's functional currency. All financial information presented in Singapore Dollar, unless otherwise indicated.

2.2 GOING CONCERN

The financial statements of the Company have been prepared on a going concern basis notwithstanding the net capital deficits of S$73,478 as at 31 March 2020. These factors indicate the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the undertaking of its immediate and ultimate holding company to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

If the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2019. Except for the adoption of FRS 116 Leases described below, the adoption of these standards did not have any material effect on the financial performance or position of the Company.

FRS 116 Leases

FRS 116 supersedes FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases-Incentives and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Company adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, comparatives figures are not restated and the cumulative effect of initially applying the standard recognised at the date of initial application has no significant effects and hence are not adjusted to the opening balance of retained earnings. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The effect of adopting FRS 116 as at 1 April 2019 was as follows:

	Increase / (decrease) S$
Right of use assets	123,524
Lease liabilities	123,524

The Company has lease contracts for office premises. Before the adoption of FRS 116, the Company classified each of its leases (as lessee) at the inception date as an operating lease. The accounting policy prior to 1 April 2019 is disclosed in Note 2.12.

Upon adoption of FRS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 April 2019 is disclosed in Note 2.12. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS - CONTINUED

FRS 116 Leases - continued

(a) Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leas-es of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 April 2019:

- right-of-use assets of S$95,638 were recognised
- additional lease liabilities of S$95,638 were recognised

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

	S$
Operating lease commitments as at 31 March 2019	130,984
Incremental borrowing rate (per annum) as at 1 April 2019	9.5%
Lease liabilities as at 1 April 2019	123,524

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Reference	Description	Effective for annual periods beginning on or after
Amendments to :-	FRS 103 - Business Combinations (Definition of a business)	1 January 2020
FRS 117	Insurance contracts	1 January 2021
FRS 110 & FRS 28	FRS 110 -Consolidated financial statement and FRS 28 - Investment in associates and joint venture (Sale or contribution of assets between an investor and its associate or joint venture)	To be determined
Amendments to :-	References to the Conceptual Framework in FRS Standards	1 January 2020
	FRS 1 and FRS 8 *Definition of Material*	1 January 2020

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.5 FINANCIAL INSTRUMENTS

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.5 FINANCIAL INSTRUMENTS - CONTINUED

(a) Financial assets - continued

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.6 IMPAIRMENT OF FINANCIAL ASSETS

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 -months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7 CASH AND CASH EQUIVALENTS

Cash and bank balances in the statement of financial position comprise cash at bank and demand deposits which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents includes cash at bank and fixed deposits.

2.8 CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.9 CONTRACT LIABILITIES

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.10 PROVISION

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 SHARE CAPITAL

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.12 LEASES

<u>These accounting policies are applied on and after the initial application date of FRS 116, 1 April 2019:</u>

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.12 LEASES – CONTINUED

(a) As lessee - continued

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.15.

The Company's right-of-use assets are presented in Note 6.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are disclosed in Note 11.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.12 LEASES – CONTINUED

(a) As lessee - continued

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

These accounting policies are applied before the initial application date of FRS 116, 1 April 2019:

(a) As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.13 EFFECTIVE INTEREST METHOD

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.14 PLANT AND EQUIPMENT

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives (years)
Leasehold improvement	3
Computer and office equipment	3 - 4
Furniture & fittings	3

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.16 DIVIDENDS

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Articles of Association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

2.17 REVENUE RECOGNITION

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Rendering of services

Services rendered are accounted for separately in the transaction price and it is supported by contracts with the customers. In accordance with FRS115, the Company has recognised the revenue only when they have satisfied the performance obligation promised in the contract.

(b) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

2.18 GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.19 EMPLOYEE BENEFITS

a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The undiscounted liability for leave expected to be settled wholly within twelve months from the reporting date is recognised for annual leave as a result of services rendered by employees up to the end of the reporting period. The Company allows employee leave entitlements to carry forward for a maximum period of twelve months.

c) Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the entity. Directors are considered key management personnel.

2.20 RELATED PARTIES

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Company if that person:
   (i) Has control or joint control over the Company;
   (ii) Has significant influence over the Company; or
   (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

b) An entity is related to the Company if any of the followings conditions apply:

   (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or jointly venture of the other entity (or an associate or joint ventures of a member of a group of which the other entity is a member).
   (iii) Both entities are joint venture of the same third party.
   (iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
   (v) The entity is a post-employment benefits plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.20 RELATED PARTIES – CONTINUED

b) An entity is related to the Company if any of the followings conditions apply: - continued

(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.21 TAXES

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.22 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.23 INTANGIBLE ASSETS

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in statement of comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation of an intangible asset commences when the intangible asset is available for use. Amortisation is recognised in statement of comprehensive income and is calculated based on the cost of the asset less residual value on a straight line basis over the estimated useful lives of intangible assets. No amortisation is provided for the intangible asset for the company as the intangible asset is not available for use as at year end.

The amortisation methods, useful lives and residual values are reviewed at each year end and adjusted if appropriate and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are not amortised and are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 statement of comprehensive income when the asset is derecognised.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

a) Judgement made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates 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 beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful lives of plant and equipment

The useful life of an item of plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Company's plant and equipment as at 31 March 2020 was S$8,569 (2019: S$17,667).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES - CONTINUED

b) Key sources of estimation uncertainty – continued

(ii) Provision for expected credit losses (ECLs) of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 18(a). The carrying amount of the Company's trade receivables as at 31 March 2020 was S$5,440,746 (2019: S$5,253,722).

(iii) Income tax payable

The Company recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The provision for the Company's income tax as at 31 March 2020 was S$ 29,011 (2019: S$ 26,590).

4. PLANT AND EQUIPMENT

	Leasehold improvement S$	Computers & office equipment S$	Furniture & fittings S$	Total S$
Costs				
As at 01.04.2018	172,449	139,544	42,193	354,186
Additions	-	-	-	
As at 31.03.2019	172,449	139,544	42,193	354,186
Additions	-	4,950	-	4,950
As at 31.03.2020	172,449	144,494	42,193	359,136
Accumulated depreciation				
As at 01.04.2018	172,449	108,760	40,361	321,570
Depreciation Charge (Note 12)	-	13,170	1,779	14,949
As at 31.03.2019	172,449	121,930	42,140	336,519
Depreciation Charge (Note 12)	-	13,995	53	14,048
As at 31.03.2020	172,449	135,925	42,193	350,567
Net carrying value				
As at 31.03.2020	-	8,569	-	8,569
As at 31.03.2019	-	17,614	53	17,667

5. INTANGIBLE ASSETS UNDER DEVELOPMENT

	Software S$
Costs	
As at 01.04.2018 / As at 31.03.2019	-
Additions	163,727
As at 31.03.2020	163,727
Accumulated amortisation	
As at 01.04.2018 / As at 31.03.2019	-
Amortisation for the year	-
As at 31.03.2020	-
Net carrying value	
As at 31.03.2020	163,727
As at 31.03.2019	-

The company has entered into an agreement with third party for development of the Company website. No amortisation is provided for the intangible asset for the company as the software services are still under development as at year end.

6. RIGHT OF USE ASSETS

	Office Premise S$
At 1 April 2019	-
Additions	123,524
Depreciation	(105,878)
At 31 March 2020	17,646

Details of leased assets are disclosed in Note 18(a).

7. TRADE AND OTHER RECEIVABLES

	2020 S$	2019 S$
Trade receivables:		
- Third parties	1,494,120	2,012,507
Less: Allowance of expected credit loss	(26,514)	(11,500)
	1,467,606	2,001,007
- Fellow subsidiaries	3,973,140	3,252,715
	5,440,746	5,253,722
Deposits	51,096	71,380
Prepayments	809	13,117
Advance payment	-	252,440
Deferred commission	118,972	162,389
	5,611,623	5,753,048

Third party trade receivables are non-interest bearing and generally on 30 to 120 (2019: 30 - 120) days' term.

Trade receivables are unsecured.

They are recognised at their original invoice amounts which represents their fair value on initial recognition.

Other receivables are non-trade in nature, unsecured, interest free and have no fixed term of repayment.

Commission expenses incurred and relating to future periods are carried forward to future periods as deferred commission.

Trade amount due from fellow subsidiaries are non-trade, interest-free, and recoverable on demand.

Expected credit losses
The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2020 S$	2019 S$
At 1 April 2019	11,500	-
Provision for expected credit losses	15,014	11,500
At 31 March 2020	26,514	11,500

8. CASH AND CASH EQUIVALENTS

	2020 S$	2019 S$
Cash on hand	-	19
Cash at bank	343,627	747,387
Fixed deposits	1,124,331	1,421,714
	1,467,958	2,169,120

The fixed deposits have maturity term of 6 months (2019: 6 months) from the end of the financial period. The average interest rate of the fixed deposits is 1.74% (2019: 1.77%) per annum.

9. SHARE CAPITAL

	2020		2019	
	Number of ordinary shares	S$	Number of ordinary shares	S$
Issued and fully paid				
Balance as at beginning / end of financial year	2	2	2	2

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meeting. All shares rank equally with regards to the Company's residual assets. The ordinary shares have no par value.

10. TRADE AND OTHER PAYABLES

	2020 S$	2019 S$
Trade payables		
- Third party	186,736	148,756
- Fellow subsidiaries	4,461,130	4,037,275
	4,647,866	4,186,031
Accruals	479,744	1,099,630
Contract liabilities	2,137,042	2,849,229
GST payables	30,847	54,113
	7,295,499	8,189,003

The trade amounts due to third party and fellow subsidiaries are unsecured, non-interest bearing and are repayable on demand.

Other payables are non-trade in nature, unsecured, interest free and have no fixed term of repayment.

11. LEASE LIABILITY

	2020 S$	2019 S$
Current		
- Lease liabilities (secured) (Note 18)	18,491	-

12. REVENUE

	2020 S$	2019 S$
Service income	5,001,482	5,120,229

13. OTHER INCOME

	2020 S$	2019 S$
Fixed deposits interest income	21,617	41,931
Foreign exchange gain	34,777	45,222
Other income	-	1,817
	56,394	88,970

14. EMPLOYEE BENEFITS

	2020 S$	2019 S$
Other key management personnel:		
Defined contribution plan (Note 17)	18,144	17,470
Salaries and other short-term benefits (Note 17)	325,458	265,480
Staffs' salaries and other related costs:		
Defined contribution plan	90,238	93,697
Salaries and bonus	1,453,564	1,602,103
Commission	56,344	41,040
Staffs' welfare	39,503	71,060
	1,983,251	2,090,850

15. PROFIT / (LOSS) BEFORE INCOME TAX

Profit / (loss) before income tax has been arrived at after charging:

	2020 S$	2019 S$
Branding costs	-	559,435
Communication expenses	58,603	62,275
Consultancy fee	881,551	1,399,099
Depreciation of plant and equipment (Note 4)	14,048	14,949
Depreciation of right of use assets (Note 6)	105,878	-
Employee benefits (Note 14)	1,983,251	2,090,850
Expected credit loss on trade receivables	29,514	11,050
IT related expenses	4,500	-
Office rental	-	117,988
Sub-contractor charges	1,249,430	1,219,541
Travel expenses	34,820	45,372

16. INCOME TAX EXPENSE

The major components of income tax expense recognised in profit or loss for the financial years ended 31 March 2020 and 2019 were as follows:

	2020 S$	2019 S$
Current income tax:		
- Current period	-	-
- Over provision for prior years	-	-
Income tax expense recognised in profit or loss	-	-

Relationship between tax expense and accounting (loss) / profit

A reconciliation between tax expense and the product of accounting (loss) / profit multiplied by the applicable corporate tax rate for the financial period ended 31 March 2020 and 2019 were as follows:

	2020 S$	2019 S$
Profit / (Loss) before income tax	202,280	(1,067,248)
Tax at the statutory tax rate 17% (2019: 17%)	(34,388)	181,432
Adjustments:		
Tax effect on non-taxable income	5,912	-
Tax effect on non-deductible expenses	(3,478)	(2,544)
Deferred tax assets on temporary difference not recognised	31,954	(178,888)
Income tax expense recognised in profit or loss	-	-

16. INCOME TAX EXPENSE – CONTINUED

Deferred income tax assets are not recognised due to the uncertainty of their recoverability.

17. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	2020 S$	2019 S$
Sales transferred from fellow subsidiaries	779,935	961,546
Sub-contractor charges by fellow subsidiaries	(1,228,366)	(1,157,790)
Sales to a fellow subsidiary	130,045	52,846
Sales support fees payable to fellow subsidiaries	(40,884)	(37,581)
Sales support fees recoverable from fellow subsidiaries	85,826	62,276
Payment on behalf by a fellow subsidiary	(693,666)	(682,151)
Staffs' costs charged to fellow subsidiary	495,234	163,639
Consultancy fee charged by a fellow subsidiary	881,551	1,399,099
Collection on behalf by a fellow subsidiary	326,523	323,273
Advance to a fellow subsidiary	27,000	40,000
Payment on behalf for fellow subsidiaries	25,255	217,759
Key management personnel compensation:		
Other key management personnel:		
Defined contribution plan (Note 14)	18,144	17,470
Salaries and other short-term benefits (Note 14)	325,458	265,480

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company.

18. LEASES

Company as a lessee

The Company has lease contracts for office premises. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

(a) Carrying amounts of right-of-use assets

	Office Premises S$	Total S$
At 1 April 2019	-	-
Additions	123,524	123,524
Depreciation	(105,878)	(105,878)
At 31 March 2020	17,646	17,646

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 11 and the statements of cash flows respectively and the maturity analysis of lease liabilities is disclosed in Note 19(b).

(c) Amounts recognised in profit or loss

	2019 S$
Depreciation of right of use assets	105,878
Interest expense on lease liability	7,239
Total amount recognised in profit or loss	113,117

(d) Total cash outflow

The Company had total cash outflows for leases of $105,033 in 2020.

19. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

19. FINANCIAL RISK MANAGEMENT – CONTINUED

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables and loan to the immediate holding company. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

19. FINANCIAL RISK MANAGEMENT – CONTINUED

a) Credit risk – continued

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- There is a disappearance of an active market for that financial asset because of financial difficulty;

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

<u>Excessive risk concentration</u>
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

<u>Exposure to credit risk</u>
The Company has no significant concentration of credit risk other than those balances with fellow subsidiaries comprising 62% (2018: 44%) of trade receivables. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

19. FINANCIAL RISK MANAGEMENT – CONTINUED

b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company finances its working capital requirements through its funds generated from operations. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

2020	Carrying amount S$	Contractual cash flows S$	One year or less S$
Financial assets			
Trade and other receivables [(a)]	5,491,842	5,491,842	5,491,842
Cash and cash equivalents	1,467,958	1,467,958	1,467,958
Total undiscounted financial assets	6,959,800	6,959,800	6,959,800
Financial liabilities			
Trade and other payables [(b)]	5,127,610	5,127,610	5,127,610
Lease liability	18,491	18,712	18,712
Total undiscounted financial liabilities	5,146,103	5,146,322	5,146,322
Total net undiscounted financial assets	1,813,697	1,813,478	1,813,478
2019			
Financial assets			
Trade and other receivables [(a)]	5,325,102	5,325,102	5,325,102
Cash and cash equivalents	2,169,120	2,169,120	2,169,120
Total undiscounted financial assets	7,494,222	7,494,222	7,494,222
Financial liabilities			
Trade and other payables [(b)]	5,285,661	5,285,661	5,285,661
Total undiscounted financial liabilities	5,285,661	5,285,661	5,285,661
Total net undiscounted financial assets	2,208,561	2,208,561	2,208,561

[(a)] The amounts excluded prepayments, advance payment and deferred commission.
[(b)] The amounts excluded GST payable and contract liabilities.

19. FINANCIAL RISK MANAGEMENT – CONTINUED

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates that will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily United States Dollars, Indian Rupee, Hong Kong Dollars, and Malaysian Ringgit.

The Company's currency exposure to the United States Dollars, Indian Rupee, Hong Kong Dollars, and Malaysian Ringgit at the reporting date were as follows:

	United States Dollars S$	Indian Rupee S$	Hong Kong Dollars S$	Malaysian Ringgit S$
2020				
Financial assets				
Trade and other receivables[a]	-	-	-	-
Cash and cash equivalents	8,246	-	-	-
	8,246	-	-	-
Financial liabilities				
Trade and other payables[b]	186,736	2,396,153	441,150	1,623,827
	186,736	2,396,153	441,150	1,623,827
Currency exposure	(178,490)	(2,396,153)	(441,150)	(1,623,827)
2019				
Financial assets				
Trade and other receivables[a]	10,797	-	-	-
Cash and cash equivalents	95,371	-	-	-
	106,168	-	-	-
Financial liabilities				
Trade and other payables[b]	148,756	3,067,236	247,999	1,107,391
	148,756	3,067,236	247,999	1,107,391
Currency exposure	(42,588)	(3,067,236)	(247,999)	(1,107,391)

[a] The amounts excluded prepayments, advance payment and deferred commission.
[b] The amounts excluded GST payable and contract liabilities.

19. FINANCIAL RISK MANAGEMENT – CONTINUED

c) Market risk – Continued

(i) Foreign currency risk – Continued

A 10% (2019:10%) strengthening of Singapore Dollars against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	(Loss) after income tax	
	2020 S$	2019 S$
United States Dollars	(14,815)	(3,535)
Indian Rupee	(208,465)	(254,581)
Hong Kong Dollars	(36,615)	(20,584)
Malaysian Ringgit	(134,778)	(91,913)

A 10% (2019:10%) weakening of Singapore Dollars against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from the cash and cash equivalents.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial years.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

Fixed rate instruments:	**2020 S$**	**2019 S$**
Financial assets		
Within one year		
Fixed deposits	1,124,331	1,421,714

Interests on fixed deposits at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Company that are not included in the above table are not subject to interest rate risks.

20. CAPITAL MANAGEMENT – CONTINUED

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. 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 is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2019 and 2018.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2019.

21. FAIR VALUES

Fair value
The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivable and other payables
The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables
The carrying amounts of these receivables and payables (including trade balances due to from/to fellow subsidiaries) approximate their fair values as they are subject to normal trade credit terms.

22. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at armotised cost and financial liabilities at amortised cost were as follows:

	2020 S$	2019 S$
Financial assets measured at amortised cost		
Trade and other receivables (Note 7)[a]	5,491,842	5,325,102
Cash and cash equivalents (Note 8)	1,467,958	2,169,120
Total financial assets measured at amortised cost	6,959,800	7,494,222
Financial liabilities measured at amortised cost		
Trade and other payables (Note 10)[b]	5,127,610	5,285,661
Lease liability	18,491	-
Total financial liabilities measured at amortised cost	5,146,103	5,285,661

[a] The amounts excluded prepayments, advance payment and deferred commission.
[b] The amounts excluded GST payable and contract liabilities.

23. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on

05 MAY 2020

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.: 200004227N)

THE ACCOMPANYING SUPPLEMENTARY DETAILED STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY

AND DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.:200004227N)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Appendix A

	2020 S$	2019 S$
Revenue		
Service income	5,001,482	5,120,229
Other income		
Fixed deposit interest income	21,617	41,931
Foreign exchange gain	34,777	45,222
Other income	-	1,817
	56,394	88,970
Less:		
Sub-contractor charges	(1,249,430)	(1,219,541)
Employee benefits (Appendix B)	(1,983,251)	(2,090,850)
Depreciation of plant and equipment	(14,048)	(14,949)
Depreciation of right of use assets	(105,878)	-
Selling and distribution costs (Appendix B)	(382,816)	(1,202,709)
Administrative expenses (Appendix B)	(1,112,934)	(1,748,398)
Finance cost (Appendix B)	(7,239)	-
	(4,855,596)	(6,276,447)
Profit / (Loss) before income tax	202,280	(1,067,248)

MONSTER.COM.SG PTE LIMITED
(Company Reg. No.:200004227N)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Appendix B

	2020 S$	2020 S$
Employee benefits		
Other key management personnel:		
Defined contribution plan	18,144	17,470
Salaries and other short term benefits	325,458	265,480
Staffs' salaries and other related costs:		
Defined contribution plan	90,238	93,697
Salaries and bonus	1,453,564	1,602,103
Commission	56,344	41,040
Staffs' welfare	39,503	71,060
	1,983,251	2,090,850
Selling and distribution costs		
Advertisements	336,222	576,650
Branding costs	-	559,435
Entertainment	11,774	21,252
Travelling expenses	34,820	45,372
	382,816	1,202,709
Administrative expenses		
Bank charges	11,468	8,167
Communication	58,603	67,275
Consultancy fee	881,551	1,399,099
Expected credit loss on trade receivables	20,514	11,050
IT support	4,500	-
Miscellaneous expenses	1,457	6,089
Other office expenses	7,150	6,600
Printing and stationery	2,190	5,616
Professional fees	67,146	24,636
Insurances	1,669	2,474
Office rental	-	117,988
Services charges	12,793	37,500
Subscription	38,403	57,885
Utilities	5,490	4,019
	1,112,934	1,748,398
Finance Cost		
Interest expenses on lease liability	7,239	-
	7,239	-

MONSTER.COM.HK LIMITED

REPORTS AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2020

H.F. LEUNG & CO.

CERTIFIED PUBLIC ACCOUNTANTS

MONSTER.COM.HK LIMITED

REPORTS AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2020

Contents	Pages

MONSTER.COM.HK LIMITED
REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31st March 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of online recruitment website, "www.monster.com.hk", which offers various recruitment services, including placement of job postings, access to resume database and other career related contents.

THE STATE OF THE COMPANY'S AFFAIRS AND APPROPRIATIONS

The results of the company for the year ended 31st March 2020 and the state of the company's affairs at that date are set out in the annexed financial statements.

The director do not recommend the payment of a dividend.

RESERVES

No transfer to reserves has been made or proposed for the year.

PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the year are set out in note 9 to the financial statements.

SHARE CAPITAL

Details of share capital of the company are set out in note 13 to the financial statements.

DIRECTOR

The directors who held office during the year and up to date of this report were:

Vijay Sivaram	
Kharidehal Rajesh	(Appointed on 19th August 2019)
Subramanian Ramakrishnan	(Appointed on 19th August 2019)
Abhijeet Mukherjee	(Resigned on 19th August 2019)
Manoj Jain	(Resigned on 19th August 2019)

There being no no provision in the Company's Articles of Association to the contrary, all exisiting directors continue in office for the coming year.

DIRECTORS' INTEREST IN CONTRACTS

No significant transactions, arrangements and contracts to which the company was a party and in which a director of the company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' RIGHT TO ACQUIRE SHARES AND DEBENTURES

At no time during the year was the company or its holding company a party to any arrangements to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the year.

PERMITTED INDEMNITY PROVISIONS

There were no permitted indemnity provisions being in force for the benefit of the directors of the Company during the financial year or up to the date of this Directors' Report.

HOLDING AND ULTIMATE HOLDING COMPANY

As at 31st March 2020, the Company's holding company and ultimate holding company are Quesscorp Holdings Pte. Ltd (a company incorporated in Singapore) and Quess Corp Limited (a public company incorporated in India and listed its shares on National Stock Exchange of India Limited) respectively.

AUDITORS

The financial statements has been audited by Messrs. H.F. Leung & Co., Certified Public Accountants, who retire and being eligible, offer themselves for re-appointment.

On behalf of the Board

Subramanian Ramakrishnan
Chairman
Hong Kong, 20th May 2020

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MONSTER.COM.HK LIMITED

(incorporated in Hong Kong with limited liability)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Monster.com.hk Limited set out on pages 5 to 14 which comprise the statement of financial position as at 31st March 2020, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st March 2020, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis of Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. 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 HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 directors are responsible for the other information. The other information comprises the information included in the directors' 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.

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the financial statements, which indicates that as at 31st March 2020, the Company had net current liabilities of HK$1,675,082 (2019: HK$2,531.894) and capital deficiency of HK$1,675,082 (2019: HK$2,531,894). These conditions indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern which is dependent upon the continuing financial support of its ultimate holding company, We consider that appropriate estimates and disclosures have been made and our opinion is not qualified in respect of this matter.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MONSTER.COM.HK LIMITED

(incorporated in Hong Kong with limited liability)

(continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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.

H. F. Leung & Co.

H.F. LEUNG & CO.
Certified Public Accountants
Room 1004, Xing Hua Centre,
433 Shanghai Street
Mongkok,
Kowloon.
Date : 20th May 2020

MONSTER.COM.HK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31ST MARCH 2020

	Note	2020 HK$	2019 HK$
Revenue	4	2,819,813	3,895,253
Less: Staff Costs	6	(984,293)	(1,251,984)
Less: Operating Lease Payments		(240,970)	(294,218)
Less: Administrative expenses		(676,103)	(672,844)
Profit before taxation	7	918,447	1,676,207
Taxation	8	(61,634)	(118,835)
Profit for the year		856,813	1,557,372

The notes on pages 9 to 14 form an integral part of these financial statements.

MONSTER.COM.HK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 HK$	2019 HK$
Non-current assets			
Property, plant and equipment	9	-	-
		-	-
Current assets			
Amout due from related Companies	10	343,796	199,031
Trade receivables	11	127,011	419,511
Deposits and Prepayments	11	956,990	1,861,440
Cash and cash equivalents		795,144	481,958
		2,222,941	2,961,940
Current liabilities			
Accounts payable and accurals		274,943	440,537
Amout due to related Companies	10	2,105,451	2,670,047
Deferred Revenue	12	1,364,071	2,291,327
Provision for taxation		153,557	91,923
		3,898,022	5,493,834
Net current liabilities		(1,675,081)	(2,531,894)
NET LIABILITIES		(1,675,081)	(2,531,894)
CAPITAL AND RESERVES			
Share capital	13	38,700,002	38,700,002
Retained profits		(40,375,083)	(41,231,896)
TOTAL EQUITY		(1,675,081)	(2,531,894)

Approved on behalf of the Board by : 20th May 2020

Subramanian Ramakrishnan

Kharidehal Rajesh

The notes on pages 9 to 14 form an integral part of these financial statements.

MONSTER.COM.HK LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31ST MARCH 2020

	Share capital	Accumulated Loss	Total
	HK$	HK$	HK$
BALANCE AT 31ST MARCH 2018	38,700,002	(42,789,268)	(4,089,266)
Profit for the year	-	1,557,372	1,557,372
BALANCE AT 31ST MARCH 2019	38,700,002	(41,231,896)	(2,531,894)
Profit for the year	-	856,813	856,813
BALANCE AT 31ST MARCH 2020	38,700,002	(40,375,083)	(1,675,081)

The notes on pages 9 to 14 form an integral part of these financial statements.

MONSTER.COM.HK LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31ST MARCH 2020

	2020	2019
	HK$	HK$
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	918,447	1,676,207
Adjustments for:		
Depreciation	-	8,327
Operating profit before changes in working capital	918,447	1,684,534
Changes in working capital:		
Increase/Decrease in trade receivables	292,500	59,492
Increase/Decrease in deposits and prepayments	904,450	(302,027)
Increase /Decrease in amount due from a related Companies	(144,765)	(158,451)
Increase /Decrease in accounts payables and accurals	(165,594)	(263,014)
Increase/Decrease in Deferred revenue	(927,256)	(1,044,527)
Increase /Decrease in amount due to a related Companies	(564,596)	241,136
Increase/Decrease in provision for bad debts	-	12,145
CASH GENERATED FROM OPERATIONS	313,186	229,288
Income Tax (Paid)/Refunded	-	251,870
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	313,186	481,158
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	313,186	481,158
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	481,958	800
CASH AND CASH EQUIVALENTS CARRIED FORWARD	795,144	481,958

ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS

Cash and bank balances	795,144	481,958

1. GENERAL

Monster.Com.HK Limited is a company incorporated in Hong Kong with limited liability. The Company's registered office is located at Unit 1905, Empress Plaza, 17-19 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong.

The principal activities of the Company are that of online recruitment website, "www.monster.com.hk", which offers various recruitment services, including placement of job postings, access to resume database and other career related contents.

As at 31st March 2020, the Company's holding company and ultimate holding company are Quesscorp Holdings Pte. Ltd (a company incorporated in Singapore) and Quess Corp Limited (a public company incorporated in India and listed its shares on National Stock Exchange of India Limited) respectively.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention and on accrual basis of accounting and on the basis that the company is a going concern in spite of the significant loss and net liabilities at 31st March 2020 on the grounds that the ultimate holding company has agreed to continue/provide their financial supports to the Company in the foreseeable future.

The financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

3. PRINCIPAL ACCOUNTING POLICIES

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements :

a. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is charge to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of the property, plant and equipment.

Depreciation on property, plant and equipment is calculated at a rate sufficient to write off their cost or revalued amounts over their estimated useful lives on a straight-line basis at the following rates:

Office and Computer equipment	27% - 33 1/3% per annum
Resume database	20% per annum

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant assets, and is recognised in the income statement.

3. PRINCIPAL ACCOUNTING POLICIES - continued

b. Impairment of assets

At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

c. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables, The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

d. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents represent cash and bank balances, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the company's cash management are also included as a component of cash and cash equivalents.

e. Payables and accruals

Payables and accruals are recognised initially at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

f. Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following bases:-

(i) Revenue from the placement of job postings on the Company's website is recognised over the length of the advertising agreement or membership term. Rvenue from the subscriptions to the Company's online resume database network is recognised over the period of the underlying subscription. Unearned revenues are reported on the statement of financial position as deferred revenue.

(ii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and at the interest rate applicable.

g. Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the income statement or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

Deferred tax liabilities are provided in full on all taxable temporary differences while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3. PRINCIPAL ACCOUNTING POLICIES - continued

h. Foreign currency translation

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong dollars using exchange rates applicable at the balance sheet date. Gains and losses on foreign exchange are recognised in the income statement.

i. Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of

j. Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

4. REVENUE

Turnover represents revenue from the placement of job postings on the company's website and access to the company's online resume database network.

An analysis of the company's revenue is as follows:

	2020	2019
	HK$	HK$
Revenue	3,362,106	4,900,885
Exchange difference	90,786	103,926
Interest income	-	-
	3,452,892	5,004,811

5. DIRECTORS' EMOLUMENTS

The directors did not receive any fees or emoluments in respect of their to the Company during the year (2019 : Nil)

6. STAFF COSTS

Employee costs (including directors) comprise:

	2020	2019
	HK$	HK$
Wages and Salaries	899,247	1,150,039
Staff insurance	52,167	31,683
MPF	32,879	70,262
	984,293	1,251,984

7. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging the followings:

	2020	2019
	HK$	HK$
Audit Fee	75,000	75,000
Taxation Service fee	30,000	21,674
Depreciation	-	8,327
Loss on exchange	(90,786)	(103,926)
Rent	240,970	294,218
Staff costs (Note 6)	984,293	1,251,984

8. INCOME TAX

Hong Kong Profits Tax has been provided for at the rate of 8.25% (2019: 8.25%) on the estimated assessable profits arising in Hong Kong during the year.

The amount of taxation charged to the statement of comprehensive income represents:

	2020	2019
	HK$	HK$
Hong Kong profits tax		
Provision for the year before tax relief	81,634	138,835
Less:Tax Relief for the year of assesment (2019/20)	(20,000)	(20,000)
Tax charge for the year	61,634	118,835

Tax payable in the balance sheet represents provision for taxation for the current year.

9. PROPERTY, PLANT AND EQUIPMENT

	Office and Computer equipments HK$	Total HK$
Cost		
At 1st April 2019	1,250,979	1,250,979
Disposal during the year	(1,250,979)	(1,250,979)
As on 31st March 2020	-	-
Accumulated depreciation		
At 1st April 2019	1,250,979	1,250,979
Charge for year	-	-
As on 31st March 2020	1,250,979	1,250,979
Net Book Value		
At 31st March 2020	(1,250,979)	(1,250,979)
At 31st March 2019	-	-

10. AMOUNT DUE TO/FROM RELATED COMPANIES

The amount was unsecured, interest free and had no fixed terms of repayment.

	2020 HK$	2019 HK$
Monster.com India Pvt Limited	233,566	45,707
Monster.com India Pvt Limited-(Dubai branch)	50,385	77,758
Monster.Com Phillppines	59,844	75,566
Monster.com.sg Pte Ltd	(887,382)	(1,494,330)
Agensi Pekerjaan Monster Malaysia Sdn. Bhd.	(1,218,076)	(1,175,717)
	(1,761,663)	(2,471,016)

11. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

The company's trade receivables, deposits and prepayments are non interest-bearing and their carrying amounts approximate to their fair values.

12. DEFERRED REVENUE

Deferred revenue represents revenue received in advance which will be recognised in advance which will be recognised as revenue over the period of the underlying advertising or subscription agreement

13. SHARE CAPITAL

	2020 HK$	2019 HK$
Issued and fully paid:		
38,700,000 ordinary shares	38,700,002	38,700,002

14. RELATED PARTY TRANSACTIONS

In addition to the transactions an balances detailed elsewhere in these financial statements, the Company had the following material transactions with related parties during the year:

	2020 HK$	2019 HK$
Gross global website memebership fees from related	1,826,209	2,109,201
Gross global website memebership fees to related companies	509,247	1,109,558
Net Commission fee to related Companies	66,837	133,960

15. COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform with the current year’s presentation.

16. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the company's Board of Directors on 20th May 2020

MONSTER.COM.HK LIMITED

DETAILED INCOME STATEMENT

YEAR ENDED 31ST MARCH 2020

(For management information purposes only)

	2020	2019
	HK$	HK$
Revenue	3,362,106	4,900,885
Less: Sub-Contracting Cost	(633,079)	(1,109,558)
Gross Profit	2,729,027	3,791,327
Other Income		
Exchange difference	90,786	103,926
	90,786	103,926
Total Revenue	2,819,813	3,895,253
Administrative and general expenses		
Advertising	142,940	308,513
Audit fee	75,000	75,000
Bank charges	21,593	15,244
Bad debt expenses	161,136	12,145
Business registration fee	-	2,250
Depreciation	-	8,327
IT service fee	-	6,000
MPF	32,879	70,262
Postage and courier	715	5,305
Printing and stationery	12,533	31,696
Rent	240,970	294,218
Salaries	899,247	1,150,039
Sales Commission	86,098	122,476
Staff insurance	52,167	31,683
Staff Welfare	16,629	11,965
Secretarial Fees	48,664	21,205
Sundry expenses	36,841	1,286
Storage Service Fees	20,403	-
Taxation Service Fee	30,000	21,674
Telephone, fax and internet expenses	20,019	24,984
Transportation	3,532	4,774
	1,901,366	2,219,046
Profit before taxation	918,447	1,676,207

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31st March 2020.

PRINCIPAL ACTIVITY

The Company is principally engaged as provider of online recruitment solutions, to carry on the activities of employment placement and to carry on the activities of private employment agency to recruit and/to place a worker to another employer. There has been no significant change in this activity during the financial year.

FINANCIAL RESULTS

	RM
Net profit for the financial year after income tax	1,170,560

DIVIDENDS

The directors did not propose any final dividends for the financial year ended 31st March 2020.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year under review.

ISSUE OF SHARES

The Company did not issue any new shares during the financial year.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to date of the report are:-

Vijay Sivaram	
Manoj Jain	(Resigned on: 19.8.2019)
Abhijeet Mukherjee	(Resigned on: 19.8.2019)
Muhunthan a/l Krishnan	
Ramakrishnan Subramaniam	(Appointed on: 19.8.2019)
Rajesh Kharidehal	(Appointed on: 19.8.2019)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit by reason of a contract made by the Company or by a related corporation with the director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object was to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES

According to the register of directors' shareholdings, required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares of the Company and its related corporations were as follows:-

	Number of Ordinary Shares			
	As at 1.4.2019	**Bought**	**Sold**	**As at 31.3.2020**
Muhunthan a/l Krishnan	255,000	-	-	255,000

No other directors in office held any interest in shares of the Company or its related corporation at the end of the financial year.

DIRECTORS'REMUNERATION

No director's remuneration was paid or payable for directors and past directors of the Company during the financial year.

No indemnities have been given or insurance premium paid for director or officers of the Group and Company during the financial year.

ULTIMATE HOLDING COMPANY

The directors regard Quess Corp Limited (Company No: U74140KA2007PLC043909), a company incorporated in India as the ultimate holding company.

HOLDING COMPANY

The directors regard Quessglobal Holdings Pte Ltd (Company No: 201526129N), a company incorporated in Singapore as the holding company.

OTHER FINANCIAL INFORMATION

Before the financial statements of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts have been written off and adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability in respect of the Company which has arisen since the end of the financial year.

No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the directors:

(a) the results of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

Total amount paid to or receivable by auditors as remuneration for their services as auditors is disclosed in Note 14 to the financial statements.

There are no indemnity and insurance purchased for the auditors of the Company during the financial year.

Company Registration No: 200001010874 (513480 X)

AUDITORS

The auditors, Messrs HALS & Associates have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 06-May-2020

Signed in accordance with a resolution of the directors:

RAMAKRISHNAN SUBRAMANIAN	Directors
MUHUNTHAN A/L KRISHNAN	

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2020

	Note	2020 RM	2019 RM
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment	7	234,051	13,371
Total non-current asset		234,051	13,371
CURRENT ASSETS			
Trade and other receivables	8	5,142,626	3,107,225
Tax recoverable		860,952	1,333,068
Cash and cash equivalents	9	611,193	1,645,023
Total current assets		6,614,771	6,085,316
TOTAL ASSETS		6,848,822	6,098,687
EQUITY			
Share capital	10	500,000	500,000
Retained profit		2,461,574	1,291,014
Total equity		2,961,574	1,791,014
CURRENT LIABILITIES			
Trade and other payables	11	1,348,688	1,493,672
Deferred revenue	12	2,538,560	2,814,001
Total current liabilities		3,887,248	4,307,673
TOTAL LIABILITIES		3,887,248	4,307,673
TOTAL EQUITY AND LIABILITIES		6,848,822	6,098,687

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 22.

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31^{T} MARCH 2020

	Note	2020 RM	2019 RM
REVENUE	13	6,077,110	6,645,968
Other operating income		21,491	192,876
Administrative expenses		4,758,043	6,685,821
Profit before taxation	14	1,340,558	153,023
Taxation	15	(169,998)	11,613
Profit for the year		1,170,560	164,636

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 22.

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2020

	Share Capital RM	Retained Earnings RM	Total Equity RM
Balance at 1st April 2018	500,000	1,126,378	1,626,378
Non-owner changes in equity			
Profit for the year	-	164,636	164,636
Total comprehensive income for the year	-	164,636	164,636
Balance at 31st March 2019	500,000	1,291,014	1,791,014
Non-owner changes in equity			
Profit for the year	-	1,170,560	1,170,560
Total comprehensive income for the year	-	1,170,560	1,170,560
Balance at 31st March 2020	500,000	2,461,574	2,961,574

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 22.

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2020

	Note	2020 RM	2019 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,340,558	153,023
Adjustments for:			
Allowance for doubtful debts		14,221	5,300
Recovery of impairment loss on trade receivables		-	(14,041)
Bad debts written off		23,456	-
Depreciation		10,352	10,352
Unrealised loss on foreign currency		8,265	34,672
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		1,396,852	189,306
Increase in receivables		(2,003,397)	(5,745,481)
(Decrease)/Increase in payables		(426,098)	5,203,628
CASH USED IN OPERATIONS		(1,032,643)	(352,547)
Tax paid		(476,663)	(1,010,056)
Tax refund		778,781	-
NET CASH USED IN OPERATING ACTIVITIES		(730,525)	(1,362,603)
CASH FLOW FROM INVESTING ACTIVITY			
Purchase of property, plant and equipment		(231,032)	-
NET CASH USED IN INVESTING ACTIVITY		(231,032)	-
Unrealised loss in cash and cash equivalents		(72,273)	(44,647)
Net decrease in cash and cash equivalents		(961,557)	(1,362,603)
Cash and cash equivalents at beginning of the year		1,645,023	3,052,273
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9	611,193	1,645,023

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 22.

AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2020

1. GENERAL

The financial statements of the Company are presented in Ringgit Malaysia (RM) which is the Company's functional currency. All financial information is presented in RM.

The Company was incorporated and domiciled in Malaysia as a private company limited by shares. It is resident in Malaysia with its registered office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur and the principal place of business at Level 8, 1 KYM Tower, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan.

2. PRINCIPAL ACTIVITY

The Company is principally engaged as provider of online recruitment solutions, to carry on the activities of employment placement and to carry on the activities of private employment agency to recruit and/to place a worker to another employer. There has been no significant change in this activity during the financial year.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") issued by Malaysian Accounting Standards Board's ("MASB") and the provisions of the Companies Act 2016.

4. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements of the Company have been approved by the Board of Directors for issuance on 06-May-2020.

5. BASIS OF PREPARATION

5.1 Basis of Measurement

The financial statements of the Company have been prepared using cost bases (which include historical cost and amortised cost) and fair value bases.

5.2 Critical Judgements and Estimates Uncertainty

The preparation of the financial statements in conformity with MPERS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognized in the financial statements other than as disclosed below:-

A. Estimation Uncertainty

(a) **Loss Allowance of Financial Assets**

The Company recognizes impairment losses for loans and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Company's past experience of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Company's financial position and results.

(b) **Depreciation of Property, Plant and Equipment**

The cost of an item of property, plant and equipment is depreciated on the straight line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual value. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

(c) **Measurement of Income Taxes**

Significant judgement is required in determining the Company's provision for current and deferred taxes because the ultimate tax liability for the Company as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities in each jurisdiction, the amounts might be different for the initial estimates of the taxes payables. Such differences may impact the current and deferred taxes in the period where such determination is made. The Company will adjust for the differences as over or under provision of current or deferred taxes in the current period in which those differences arise.

6. SIGNIFICANT ACCOUNTING POLICIES

(a) Property, Plant and Equipment

(i) Recognition and Measurement

All property, plant and equipment are initially measured at cost.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. The cost of self constructed assets also includes the cost of direct and indirect cost of construction.

For an exchange of non-monetary assets that has a commercial substance, cost is measured by reference to the fair value of the asset received.

All property, plant and equipment are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amounts of property, plant and equipment and is recognized net within "other income" or "other expenses" respectively in profit or loss.

(ii) **Subsequent costs**

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized to profit or loss. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) **Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. The annual rates used are as follows:-

Computer	3 years
Computer software	3 years
Office equipment	3 years

Software under construction will be depreciated upon completion.

At the end of each reporting period, the residual values, useful life and depreciation method for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

(b) **Impairment of non-financial assets**

The carrying amounts of non-financial assets (ie. property, plant and equipment) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset, if an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and the value in use. The Company determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on: (i) price in a sale agreement, (ii) market price traded in an active market; and (iii) estimate of market price using the best information available. The value in use is estimated by discounting the net cash inflows (by an appropriate pre-tax discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecast cash flows.

An impairment loss is recognized if the carrying amount of an asset or its related cash- generating unit exceeds its estimated recoverable amount.

For an asset measured on a cost-based model, any impairment loss is recognized in profit or loss. For a property, plant and equipment measured on the revaluation model, any impairment loss is treated as a revaluation decrease.

The Company reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognized previously may have reversed.

Any reversal of impairment loss for an asset carried at a cost-based model is recognized in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognized previously.

(c) **Financial instruments**

(i) **Initial recognition and measurement**

A financial asset or financial liability is recognised in the statement of financial position when, and only when the Company becomes a party to the contractual provisions of the instruments.

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through profit or loss, transaction cost are expensed to profit or loss when incurred) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instruments.

(ii) **Subsequent measurement**

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely: (i) financial assets at fair value through profit or loss, and (ii) financial assets at amortised costs.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 6c(v).

After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method.

(iii) **Fair Value Measurement of Financial Instruments**

All other financial assets or liabilities not measured at amortised cost or cost less impairment are measured at fair value with changes recognised in profit or loss.

The fair value is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique.

(iv) **Recognition of Gains and Losses**

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognized in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognized in profit or loss only when the financial asset or financial liability is derecognized or impaired, and through the amortization process of the instruments.

(v) **Impairment and Uncollectibility of Financial Assets**

The Company applies the incurred loss model to recognise impairment losses of financial assets. At the end of each reporting period, the Company examines whether there is any objective evidence that a financial asset (except for financial assets measured at fair value through profit or loss) or a group of financial assets is impaired.

An impairment loss is measured as follows:-

* For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

* For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

(vi) **Derecognition**

A financial asset or part of it is derecognized when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of financial asset, the difference between the carrying amount of the financial asset derecognized and the consideration received, including any newly created rights, and obligations, is recognized in profit or loss.

A financial liability or part of it is derecognized when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(d) **Equity instruments**

Ordinary shares classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(e) **Revenue Recognition**

Revenue from services rendered is recognized in profit or loss upon services rendered and acceptance by customers.

(f) **Income Tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is provided by the balance sheet liability method based on all taxable temporary differences by comparing carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax is not recognized if the temporary differences arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time the transaction, affects neither accounting profit nor taxable profits.

Deferred tax is measured at the tax rates that is expected to be applied to the temporary differences when they reverse, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credit can be utilized.

Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realized simultaneously.

(g) **Cash and Cash Equivalents**

Cash and cash equivalents consists of cash in hand, bank balances, deposits with bank and highly liquid investments with maturing within three months from the date of acquisition which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(h) **Employee Benefits**

(i) **Short term employee benefits**

Short term employee benefits in respect of wages, salaries, social security contributions, paid annual leaves, paid sick leaves, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed in the financial period when employees have rendered their services to the Company.

Bonuses are recognised as an expense when there is a present, legal or constructive obligations to make such payments, as a result of past services provided by employees and when a reliable estimate can be made of the amount of the obligations.

(ii) **Defined contribution plan**

The Company makes contributions to a statutory provident fund and recognise the contribution payable as an expense in the financial year in which the employees render their services. Once the contributions have been paid, the Company have no further payment obligations.

(i) **Currency Conversion**

Transactions denominated in foreign currencies are translated and recorded at the exchange rates prevailing at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currency are retranslated at the rates prevailing at the end of the period (ie. closing rate). Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair value were determined. Non-monetary items that are measured at their historical costs amounts continue to be translated at their respective historical rates and are not retranslated.

All exchange gain or losses, including those arising from translation, are taken up in profit or loss.

7. **PROPERTY, PLANT AND EQUIPMENT**

2020 **Cost:**	**At 1st April 2019** **RM**	**Addition** **RM**	**At 31st March 2020** **RM**
Computer	97,781	-	97,781
Computer software	13,349	-	13,349
Office equipment	1,479	-	1,479
Software under construction	-	231,032	231,032
Total	112,609	231,032	343,641

Accumulated Depreciation:	**At 1st April 2019** **RM**	**Charge for the year** **RM**	**At 31st March 2020** **RM**	**Carrying amount at 31st March 2020** **RM**	**Carrying amount at 31st March 2019** **RM**
Computer	84,410	10,352	94,762	3,019	13,371
Computer software	13,349	-	13,349	-	-
Office equipment	1,479	-	1,479	-	-
Software under construction	-	-	-	231,032	-
Total	99,238	10,352	109,590	234,051	13,371

8. **TRADE AND OTHER RECEIVABLES**

	2020	2019
	RM	RM
Current:		
Trade receivables	388,856	599,323
Other receivables	146,565	143,664
Deposits and prepayment	44,292	37,369
Amount due from related companies	4,600,217	2,332,169
Total at cost	5,179,930	3,112,525
Less:		
Bad debts written off	17,783	-
Accumulated impairment losses (**)	19,521	5,300
	5,142,626	3,107,225

** Movement of impairment losses:

	2019	2018
	RM	RM
Balance at beginning of the year	5,300	37,009
Allowance for doubtful debts recognised in profit or loss	14,221	5,300
Bad debts written off	-	(22,968)
Recovery of impairment loss	-	(14,041)
Balance at end of the year	19,521	5,300

Other receivables and related company's balances represent non trade advances/loan made and are unsecured, interest free and payable on demand.

9. **CASH AND CASH EQUIVALENTS**

	2020	2019
	RM	RM
Cash and bank balances	611,193	1,645,023

10. **SHARE CAPITAL**

	2020	2019
	RM	RM
Issued and fully paid:		
500,000 Ordinary shares	500,000	500,000

11. TRADE AND OTHER PAYABLES

	2020 RM	2019 RM
Trade payables	-	77,264
Other payables and accruals	1,061,386	1,156,724
Amount due to related companies	287,302	259,684
	1,348,688	1,493,672

Amount due to related companies represent loan/advances made and are unsecured, interest free and payable on demand.

12. DEFERRED REVENUE

Deferred revenue represents deferred fees and is recognised as revenue on a time apportionment basis over the remaining period of the respective agreements in line with the services to be rendered.

13. REVENUE

Revenue represents the invoiced value of services rendered net of discounts.

14. PROFIT FROM TRADING OPERATIONS

	2020 RM	2019 RM
Profit from operations before taxation is stated after charging/(crediting):-		
Audit fee	18,045	15,000
Employee benefits:-		
- salaries and other benefits	951,234	940,218
- EPF	71,934	55,050
Realised loss on foreign exchange	34	39
Realised gain on foreign exchange	-	(34)
Unrealised gain on foreign exchange	(21,491)	(178,801)
Unrealised loss on foreign exchange	29,756	213,473

15. TAXATION

	2020 RM	2019 RM
Current year's provision	256,000	86,000
Overprovision in prior year	(86,002)	(97,613)
	169,998	(11,613)

Income tax is calculated at the Malaysian Statutory tax rate of 24% of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:-

	2020 RM	2019 RM
Profit before taxation	1,340,558	153,023
Taxation at Malaysian Statutory tax rate at 24%	321,734	36,726
Expenses not deductible for tax purposes	4,536	91,192
Income not subject to tax	(71,264)	(42,912)
Overprovision in prior year	(86,002)	(97,613)
Deferred tax asset not recognised	994	994
Tax expense/(income) for the year	169,998	(11,613)

The above are subject to the approval of the tax authorities.

16. **FINANCIAL INSTRUMENTS**

16.1 **Categories of financial instruments**

The table below provides an analysis of financial instruments categorized as follows:-

(a) Financial assets and financial liabilities measured at amortised cost ("AC").

2020 **Financial assets**	**Carrying Amount** **RM**	**AC** **RM**
Deposit	35,070	35,070
Trade and other receivables	5,098,334	5,098,334
Cash and cash equivalents	611,193	611,193
	5,744,597	5,744,597
Financial liability		
Trade and other payables	1,348,688	1,348,688

2019 **Financial assets**	**Carrying Amount** **RM**	**AC** **RM**
Deposit	22,360	22,360
Trade and other receivables	3,069,856	3,069,856
Cash and cash equivalents	1,645,023	1,645,023
	4,737,239	4,737,239
Financial liability		
Trade and other payables	1,493,672	1,493,672

17. **RELATED PARTIES**

The significant related parties transactions of the Company are disclosed below:-

	2020 RM	**2019 RM**
a. Entity controlled by the Company		
Monster India		
- Global revenue transfer from/(to)	529,197	143,814
- Professional fee	1,163,240	1,861,410
- Commission paid	66,911	-
- General managerial cost	47,254	43,863
- Intersegment sales support	48,337	28,149
Monster Singapore		
- Global revenue transfer from/(to)	928,529	668,924
- Intersegment sales support	91,671	13,334
Monster Hong Kong		
- Global revenue transfer from/(to)	57,048	(49,408)
- Intersegment sales support	5,706	211
Monster Middle East		
- Global revenue transfer from/(to)	128,746	111,859
- Intersegment sales support	12,709	934
Monster Philippines		
- Global revenue transfer from/(to)	(30,689)	(128,102)
- Intersegment sales support	1,678	(4,019)

The related parties balances are disclosed in Note 8 and 11 to the financial statements.

18. **EMPLOYEES**

The number of employees at the end of the financial year are as follows:-

	2020 No.	**2019 No.**
Directors	4	4
Employees	6	3
	10	7

19. CAPITAL COMMITMENT

	2020	2019
	RM	RM
Contracted but not provided for:-		
Software under construction development	117,471	-

20. SIGNIFICANT EVENT AND GOING CONCERN

On 16th March 2020, Malaysia Government had announced the imposition of Movement Control Order ("MCO") nationwide to curb the spreading of COVID-19 in Malaysia, pursuant to the Prevention and Control of Infectious Disease Act 1988 and the Police Act 1987.

Before these financial statements were made out, the Board of Directors had considered the impact of Covid-19 outbreak in Malaysia, which would have affected the financial position, performance and cash flow of the Company as ended on the reporting date thereon.

The Management concluded that the impact of non-adjusting events from this Covid-19 outbreak has not significantly affected the fair value of the financial assets/liabilities and non-financial asset of the Company, including the classification of current and non-current items that were presented on the reporting date.

Given the current economic circumstances, it was difficult for the Management to ascertain the financial position performance and cash flow of the Company for the period ending on the next 12 months from the date of this report. Despite facing such challenge, the Company is currently implementing operational measures to boost its revenue and to lower the operating cost structure by adopting a mid term strategy. The shareholders/directors have also indicated their willingness to provide continuous financial support to the Company in order to meet its payment obligation of the debts, as and when they fall due within the next twelve months from the date of this report.

HALS & Associates
Chartered Accountants
AF No: 0755

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
AGENSI PEKERJAAN MONSTER MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Agensi Pekerjaan Monster Malaysia Sdn. Bhd. which comprise the statement of financial position as at 31st March 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 22.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2020 and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Material Uncertainty Related To Going Concern

We draw attention to Note 20 in the financial statements, where it brought up the situation of Malaysian Government imposing the Movement Control Order ("MCO") due to outbreak of Covid-19 in the country. This MCO began on 18th March 2020 and it was uplifted on . As stated on Note 20, all these events or conditions, or any subsequent uncertain event or circumstance, along with other matters as outlined in Note 20,have restricted the Company's ability to ascertain the impact of any future event that could affect the financial position, performance and cash flow of the Company for a next twelve months period from the date of this report. As such, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, despite the Company is currently implementing operational measures to boost its revenue and to lower the operating cost structure by adopting a mid term strategy. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

* Identify and assess the risks of material misstatement of the financial statements of the Company, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

* Conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

* Evaluate the overall presentations, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HALS & ASSOCIATES
A.F. 0755
CHARTERED ACCOUNTANTS

Lim Kian Keong
Bil 02043/09/2020 J
Partner

KUALA LUMPUR

DATE: 06-MAY-2020

ALLSECTECH, INC.

FINANCIAL STATEMENTS

MARCH 31, 2020 AND 2019

ALLSECTECH INC

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March 31, 2020 and 2019

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RAVI VENKATARAMAN, CPA LLC
CERTIFIED PUBLIC ACCOUNTANT
14 COURTSIDE LANE
PRINCETON, NJ 08540

TEL: (609) 452-7770 FAX: (732) 823-1405

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Allsectech, Inc.
Princeton, NJ

We have audited the accompanying financial statements of Allsectech Inc (a Delaware Corporation),.which comprise the balance sheets as of March 31, 2020 and 2019 and the related statements of income, cash flows, and stockholder's equity for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements.
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's 'preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allsectech, Inc. as of March 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

R. Venkataraman
Ravi Venkataraman, CPA
May 5, 2020
Princeton, New Jersey

ALLSECTECH, INC.
BALANCE SHEETS
AS OF MARCH 31

ASSETS	2020	2019
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,577,491	$ 3,623,121
Treasury Bonds-Manila		-
Accounts Receivable	262,786	247,025
Accounts Receivable - Affiliate	26,957	21,957
Restricted Cash	6,272	6,272
Security Deposit	8,598	1
Interest Due from RCM	-	148,441
Loan to Affiliate	-	1,250,000
Accrued Income	-	-
Advance for Consultancy Services	-	-
Due from Factor		-
Prepaid expenses	69,633	26,217
Total Current Assets	**1,951,738**	**5,323,034**
PROPERTY AND EQUIPMENT		
Property and Equipment	354,802	351,185
Accumulated Depreciation	(350,540)	(349,966)
Net Property and Equipment	**4,262**	**1,219**
Total Assets	**$ 1,956,000**	**$ 5,324,253**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 27,694	$ 27,792
Accounts Payable - Affiliate	13,301	1,598,848
Accrued Expenses	77,214	238,681
Accrued Income Taxes		-
Loan from parent	-	-
Loan Interest Payable		-
Other payable	495,534	-
Total Current Liabilities	**613,743**	**1,865,321**
STOCKHOLDERS' EQUITY		
Common Stock-no par value, 3,000 shares authorized and 100 shares issued and outstanding	2,310,000	2,310,000
Retained Earnings	(967,743)	1,148,932
Total Stockholders' Equity	**1,342,257**	**3,458,932**
Total Liabilities and Equity	**$ 1,956,000**	**$ 5,324,253**

See Independent Auditor's Report and notes to financial statements

ALLSECTECH, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED MARCH 31

	2020	2019
Operating Revenues	$ 1,418,312	$ 5,023,844
Cost of Revenues	(2,069,020)	(5,345,533)
Gross Profit	(650,708)	(321,689)
Operating Expenses (Schedule 1)	(1,468,223)	(1,341,267)
Income from operations	(2,118,931)	(1,662,956)
Interest Income and other income	8,208	143
Interest Expense	39	-
Income before provision for income taxes	(2,110,684)	(1,662,813)
Provision for Income Taxes-State	(5,991)	162,015
Net Income/ (Loss)	**$ (2,116,675)**	**$ (1,500,798)**

See Independent Auditor's Report and notes to financial statements

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ALLSECTECH, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED MARCH 31

	Common Stock	Retained Earnings	2020	2019
Balance at April 1, 2019	$ 2,310,000	$ 1,149,112	$ 3,459,112	$ 4,959,910
Capital Contributions during the year				
Earnings/(Loss)-FY 2018	-	-	-	-
Prior Period Adjustment		(180)	(180)	
Balance at March 31, 2019	**2,310,000**	**1,148,932**	**3,458,932**	**4,959,910**
Capital Contributions during the year				
Earnings/(Loss)-FY2020		(2,116,675)	(2,116,675)	(1,500,798)
Prior year adjustment	-	-	-	-
Balance at March 31, 2020	**$ 2,310,000**	**$ (967,743)**	**$ 1,342,257**	**$ 3,459,112**

See Independent Auditor's Report and notes to financial statements

ALLSECTECH, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31

		2020		2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income	$	(2,116,675)	$	(1,500,798)
Depreciation		574		271
Prior year Adjustment		(1)		(180)
Adjustments to reconcile Net Income to net cash provided by operating activities:				
Restricted Cash		-		(50,310)
Treasury Bonds-Manila		-		-
Accounts Receivable		(15,761)		1,689,501
Accounts Receivable-Affiliate		(5,000)		(16,982)
Advance to Allsec-Manila		148,441.00		-
Accrued Income		-		72,000
Prepaid Expenses		(43,416)		(7,170)
Security Deposit-Rental		(8,597)		179
Accounts Payable		(99)		(72,569)
Accounts Payable-Affiliate		(1,585,547)		(1,897,141)
Accrued Expenses		(161,467)		(1,347,628)
Loan Interest Payable - ATL		-		-
Other Payable		495,534		-
Net Cash provided by Operating Activities		(2,042,014)		(3,130,827)
CASH FLOW FROM FINANCING ACTIVITIES				
Addition to Property and Equipment		(3,617)		(1,562)
Loan from parent		-		-
Net Cash used by Financing Activities		(3,617)		(1,562)
Net Cash increase for the Year		(2,045,631)		(3,132,389)
Cash And Cash Equivalents At Beginning Of Year		3,623,121		6,755,510
Cash And Cash Equivalents At End Of Year	**$**	**1,577,491**	**$**	**3,623,121**
Supplemental disclosure of cash flow information				
Cash paid during the years				
Interest	$	-	$	-
Income taxes	$	5,991	$	1,334,350

See Independent Auditor's Report and notes to financial statements

ALLSECTECH, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

Note 1 – Description of Company's Business

Allsectech, Inc. (Allsectech/Company) was incorporated on September 14, 2000 in the State of Delaware. Allsectech is the wholly owned subsidiary of Allsec Technologies Limited (Technologies/Parent Company) a publicly held corporation in India.

Conneqt Business Solutions Limited ('Conneqt'), a subsidiary of Quess Corp Limited, had entered into share purchase agreements dated April 17, 2019 with Mr. Jagadish R, Mr. Saravanan A and First Carlyle Ventures Mauritius to acquire 9,349,095 equity shares, representing 61.35% of the voting share capital of Allsec Technologies Limited. The effective date of acquisition of equity shares by Conneqt was June 3, 2019.

Consequent to this transaction, Allsec Technologies Limited has become the subsidiary of Conneqt with effect from June 3, 2019. with effective date of acquisition being considered as 1st June 2019 in terms of IND AS accounting standards and Allsectech Inc has become a step down subsidiary of Conneqt.

Allsectech provides marketing services to Technologies, one of the world's leading providers of response management solutions and personalized customer care. Allsectech utilizes Technologies and parent company's wholly owned Philippines subsidiary Allsectech Manila Inc (Allsec-Manila) having its facilities in Manila and Retreat Capital Management Inc, a California registered company having its facilities in Irving TX, USA to perform Anti Money laundering services, voice response services, and collection services of credit card and other receivables for its reputed customers. The Company has established a branch office in Manila, Philippines on November 8, 2012.

Note 2 – Summary of Significant Accounting Policies

This summary of significant accounting policies of Allsectech is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America and have been consistently applied in the preparation of the financial statements.

See Independent Auditor's Report

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. Accordingly, all significant receivables, payables, and other liabilities are recorded.

The financial statements are prepared on accrual basis. These financial statements are presented for the year ended March 31, 2020.

Liquidity & Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern.

Revenue Recognition

Allsectech provides voice response services and collection of credit card and other receivables services to reputed companies. Unbilled services represent revenue on services performed but not billed until the subsequent period. Advances received prior to providing services will be treated as deferred revenues and recognized when services are performed. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is recognized as services are performed in accordance with the specific terms of the contract with the customer. Unbilled revenue represents accrual of income relating to services provided but not billed as at the year end.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

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Cash

Cash consists primarily of working funds. For purposes of the Statements of Cash Flows, cash is defined as unrestricted cash balances and investments with original maturities of three months or less. As of March 31, 2020 and 2019, there were $8,229 and $8,229 respectively in restricted cash balances and investments. The restricted cash represents five escrow accounts opened in order to comply with collection licenses requirements from various States.

Property, Equipment and Depreciation

Property and equipment are reflected at cost. Depreciation is provided using straight-line method over its estimated useful life of three years for computer and five years for Network Equipments. Maintenance and repairs are expensed as incurred.

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 360, *Property, Plant and Equipment*, *formerly* FASB No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to undiscounted expected cash flows. Future events could cause the Company to conclude that impairment indicators exist and that long-lived assets may be impaired.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses are equal or approximate their fair values due to the short term maturity of those instruments.

Cost of Revenues

Costs of service delivery consist of payroll cost incurred for the employee actively involved in managing call center and marketing services, the amount paid to Technologies for support services rendered to the customers and other outside services utilized by the Company.

See Independent Auditor's Report

Income Taxes

The Company provide for income taxes on the basis of FASC 740, *Income Taxes formerly* Statement of Financial Accounting Standards No. 109, "*Accounting for Income Taxes*" which requires recognition of deferred taxes based on the differences between the financial statement and the tax basis of assets and liabilities at enacted rates in effect in the years in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Note 3. Property and Equipment

The following is a summary of property and equipment at cost, less accumulated depreciation:

	2020	2019
Computers & Accessories	$67,671	$67,671
Furnitures & Fixtures	9,521	9,521
Vehicles	3,617	0
Software & Licenses	14,234	14,234
Network Equipments	259,759	259,759
	354,802	351,185
Less: Accumulated Depreciation	(350,540)	(349,966)
Total	$4,262	$1,219

The useful lives of property and equipment for the purpose of computing depreciation are three to seven years. Depreciation expense amounted to $ 574 and 271 for the years ended March 31, 2020 and 2019 respectively.

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Note 4. Income Taxes

For the year ended March 31, 2020 the company had not made any tax provisions.

Note 5. Related Party Transactions

A Loan was made for $1,250,000 to Retreat Capital Management Inc. during April 2014-March 2015. Management has decided to set off this loan from an associate company against payables from the same associate during the year ended March 31, 2020 and appropriate adjusted has been made in the financial statements. In addition, interest receivable from an affiliate were set off against payables to the same affiliate entity-Retreat Capital Management, Inc., since it is in the process of winding off.

Note 6. Litigation

There are no legal suite pending against the company, There was one case pending against Retreat Capital Management, Inc. d/b/a Allsec Financial Services, Allsectech, Inc., Allsec Technologies, Ltd., and Adiseshan Saravanan, erstwhile promoter was a collective action under the Fair Labor Standards Act against. The case was filed on September 24, 2018 and is Cause No. 3:18-CV-02539-S pending in the United States District Court for the Northern District of Texas – Dallas Division. A total of 54 current and former independent contractors have opted in to this case, alleging that they were misclassified as independent contractors and should have been paid an additional 50% of their hourly wages over forty hours in a week, inasmuch as they were paid straight time overtime. The matter had been settled in principle for 35 employees, but we were awaiting settlement agreements from the remaining 19 plaintiffs until the case could be finally dismissed. The case is over and has been dismissed with prejudice.

Note 7. Going Concern

The Company has reported a loss of $ 2,116,675 and $ 1,500,799 for the years ended March 31, 2020 and 2019 respectively. In spite of the losses, management intends to continue operations in the U.S. The Company expects to execute existing orders to generate revenues. In addition, certain cost cutting measures have been taken including laying off three business development employees/consultants; non-renewal of office lease after the lease period expires and other cost control measures

See Independent Auditor's Report

Note 8. Commitments and Contingent Liabilities

The Company lease administrative office space under an operating lease. This lease provide for annual base rent, escalations and additional payments for real estate taxes and other occupancy costs.

For the years ended March 31, 2020 and 2019, rent expense amounted to $ 246,463and $223,394 respectively.

Also lease was extended to the term of the lease through January 15, 2020 through January 15 2021 with the following terms.

Rent Payable from 01-15-19 through 01-15-20	$ 13,510.75 per month
Rent Payable from 01-15-20 through 01-15-21	$ 14,046.46 per month

Note 9. Concentrations

Allsectech maintains its cash balance in a bank located in New Jersey. This account is insured by the Federal Deposit Insurance Corporation up to balance of $250,000.The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Concentration of credit with respect to receivables is limited to Company's parent and companies with strong credit rating. The Company establishes an allowance for uncollectible trade accounts based on historical collection experience and management's evaluation of collectability of outstanding accounts receivable. Due to strong credit background of its customers and parent, the Company does not maintain an allowance for doubtful accounts.

See Independent Auditor's Report

Note 10. Subsequent Events

The Company has evaluated the need for disclosures and/or adjustments resulting from subsequent events through May 5, 2020. The evaluation did not result in any subsequent events that necessitated disclosures and/or adjustments.

Note 11. Impact of Covid -19 on business operations

COVID-19 lock down has no material impact on financial conditions and results of operation on FY 19-20 financials.

Due to lock down in US and in other key markets of Allsectech, Inc.most of the clients are not operating at normal levels. This is expected to have a slight impact in Q1 & Q2 numbers. While parent Allsec Technologies has a very strong balance sheet, Allsectech Inc. also has good cash reserves to be resilient enough to weather the COVID-19 impact, The management is taking proactive steps to rationalize and reduce costs wherever possible to reduce impact on margins and conserve cash. They have rationalized the Employee/Consultants costs & Head count by having 3 business development employees/ consultants contracts terminated in April 2020. The Company expects to maintain 2019-20 levels in turnover, reduce the losses as a measure of cost savings and cost rationalization measures. The company expects to have more clarity on the projections for FY'21 by mid Q2 2020-21 since situation is currently fluid and evolving on a day to day basis assuming lock down is lifted by June 2020.

Allsectech uses operationally generated cash flows to fund its business. It has sufficient liquid assets to tide over current and post-COVID-19 period. As of 31st March 2020, Allsectech has not utilized any credit facilities from banks or financial institutions. At this time, it is not envisaged that there will be change in this position.

See Independent Auditor's Report

Schedule 1

ALLSECTECH, INC.
SCHEDULE OF OPERATING EXPENSES
FOR YEARS ENDED MARCH 31

Operating expenses	2020	2019
Automobile Expense	$ 17,598	$ 14,262
Bank Service Charges	2,568	3,944
Bond Fees	2,975	13,425
Business Promotion Exp	44,956	331,513
Connectivity Charges	4,323	6,211
Depreciation Expense	574	271
Dues and Subscriptions	629	3,345
Security Charges	56,079	50,186
Advertising	-	181
Insurance	23,542	7,089
Licenses and Permits	65,884	79,025
Office Supplies & Expense	3,583	3,217
Payroll Processing Fees	1,927	4,247
Office Pantry Expenses	98	2,430
Postage and Delivery	2,289	2,961
Office Equipment	947	1,048
Professional Fees	776,648	324,783
Rent	266,678	246,500
Seminars and Meetings	3,000	-
Utilities	4,163	198
Repairs	58,070	72,170
Telephone	70,171	71,271
Travel & Ent	61,521	102,990
Total	**$ 1,468,223**	**$ 1,341,267**

See Independent Auditor's Report and notes to financial statements

Allsectech Manila Inc.
Balance Sheet as at March 31, 2020
(All amounts are in PHP, unless otherwise stated)

	Schedules	As at March 31, 2020	As at March 31, 2019
Equity and liabilities			
Shareholders' funds			
Share capital	1	81,250,000	81,250,000
Reserves and surplus	2	524,029,406	263,239,693
		605,279,406	**344,489,693**
Current liabilities			
Sundry creditors - Others	3	22,421,729	8,844,523
Sundry creditors - Non Trade	3	259,537	247,470
Accrued salaries and benefits	3	3,569,426	3,495,696
Provision for taxation	3	3,322,946	9,965,698
Other liabilities	3	7,259,923	7,065,673
		36,833,561	**29,619,060**
Total		**642,112,967**	**374,108,753**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	4	17,178,691	12,489,599
Other non-current assets	5	12,481,908	9,935,207
		29,660,599	**22,424,806**
Current assets			
Cash and bank balances	7	510,966,146	233,738,642
Trade receivables	6	96,035,251	113,661,469
Short-term loans and advances	8	4,230,888	3,184,875
Prepayments and other current assets	9	1,220,083	1,098,961
		612,452,368	**351,683,947**
Total		**642,112,967**	**374,108,753**

As per our Report of even date

For Allsectech Manila Inc.

ENRICO T. PIZARRO
Partner, ETP and ASSOCIATES CO.
CPA Certificate No. 0097067

DENNIS T. ESTAVILLO
Senior Manager - Finance
Allsectech Manila, Inc.

Place: Manila, Phillipines
Date: May 11, 2020

Allsectech Manila Inc.
Schedules to the Financial Statements
(Amounts in PHP)

			As at March 31, 2020	As at March 31, 2019
1	**Share capital**			
	Capital Stocks - Common	Capital Stocl	81,250,000	81,250,000
			81,250,000	**81,250,000**
2	**Reserves and surplus**			
	Reserves and surplus (Deficit)	surplus	263,239,694	48,949,358
	Profit for the period		260,789,712	214,290,335
	Net reserves and surplus in the statement of profit and loss		**524,029,406**	**263,239,693**
3	**Current liabilities**			
	Sundry creditors - Non trade	Sundry credit	259,537	247,470
	Sundry creditors - Others	Sundry credi	22,421,729	8,844,523
	Accrued salaries and benefits	Accrued sala	3,569,426	3,495,696
	Provision for taxation	Provision for	3,322,946	9,965,698
	Other liabilities	Other liabilit	7,259,923	7,065,673
			36,833,561	**29,619,060**
4	**Tangible Assets**			
	Property, plant and equipment	Property, Pla	159,896,788	147,906,544
	Accumulated depreciation	Accumulatec	(142,718,097)	(135,416,945)
			17,178,691	**12,489,599**
5	**Other non-current assets**			
	Other financial assets - non current	Other non-cur	12,481,908	9,935,207

Allsectech Manila Inc.
Schedules to the Financial Statements
(Amounts in PHP)

			As at March 31, 2020	As at March 31, 2019
6	**Current trade receivable (unsecured)**			
	Considered good	Sundry debtoı	96,035,251	113,661,469
			96,035,251	**113,661,469**
7	**Cash and bank balances**			
	Cash on hand	Cash on hanc	12,500	12,500
	Balance with banks			
	- in current accounts	Balance in cı	510,953,646	233,726,142
			510,966,146	**233,738,642**
8	**Short-term loans and advances (Unsecured, considered good unless stated otherwise)**			
	Advances recoverable in cash or in kind or for value to be received	Advances rec	1,633,375	295,748
	Loan to subsidiary	Loan to subsı	2,597,513	2,889,127
	Deposits	Deposits	-	-
			4,230,888	**3,184,875**
9	**Prepayments and other current assets**			
	Prepayments and other current assets	**Prepayments**	1,220,083	1,098,961
			1,220,083	**1,098,961**

ENRICO T. PIZARRO
Partner, ETP and ASSOCIATES CO.
CPA Certificate No. 0097067

Place: Manila, Phillipines
Date: May 11, 2020

DENNIS V. ESTAVILLO
Senior Manager - Finance
Allsectech Manila, Inc.

Allsectech Manila Inc.
Statement of profit and loss
(All amounts are PHP, unless otherwise stated)

	Schedules	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations(net)		700,496,058	663,783,158
Other income	10	(11,197,464)	51,174
Total revenue (I)		**689,298,594**	**663,834,332**
Expenses			
Employee cost and benefits	11	255,555,534	294,187,318
Other expenses	12	147,299,547	131,699,771
Total (II)		**402,855,081**	**425,887,089**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		**286,443,513**	**237,947,243**
Finance costs	13	44,515	144,338
Depreciation and amortization expense		7,301,153	6,340,774
Profit before tax		**279,097,845**	**231,462,131**
Provision for taxation			
Current tax		18,308,133	17,171,796
Profit for the year		**260,789,712**	**214,290,335**

As per our Report of even date

For Allsectech Manila Inc.

ENRICO T. PIZARRO
Partner, ETP and ASSOCIATES CO.
CPA Certificate No. 0097067

DENNIS T. ESTAVILLO
Senior Manager - Finance
Allsectech Manila, Inc.

Place: Manila, Phillipines
Date: May 11, 2020

Allsectech Manila Inc.
Schedules to the Financial Statements
(Amounts in PHP)

		For the year ended March 31, 2020	For the year ended March 31, 2019
10	**Other income**		
	Rental income	-	-
	Interest	814,935	304,697
	Other income (loss)	(12,012,398)	(253,523)
		(11,197,464)	**51,174**
11	**Employee costs and benefits**		
	Salaries, wages and allowances	241,910,909	270,556,225
	Recruitment and training	5,439,841	14,907,577
	Staff welfare	8,204,784	8,723,516
		255,555,534	**294,187,318**
12	**Other expenses**		
	Rent and amenities	33,816,662	28,876,531
	Electricity	13,476,140	12,495,389
	Repairs and maintenance		
	- Plant and machinery	3,385,619	4,865,856
	- Others	4,463,167	3,666,661
	Travel and conveyance	15,451,654	12,608,163
	Telephone	5,528,087	4,591,131
	Professional and consultancy charges	9,307,542	7,705,333
	Rates and taxes	1,092,429	2,033,533
	Management and professional fee	57,224,269	47,533,219
	Other selling expenses	747,706	1,965,213
	Insurance	299,325	468,074
	Miscellaneous expenses	2,506,946	4,890,668
		147,299,547	**131,699,771**
13	**Finance costs**		
	Bank charges	44,515	144,338
	Interest - others	-	-
		44,515	**144,338**

ENRICO T. PIZARRO
Partner, ETP and ASSOCIATES CO.
CPA Certificate No. 0097067

Place: Manila, Phillipines
Date: May 11, 2020

DENNIS T. ESTAVILLO
Senior Manager - Finance
Allsectech Manila, Inc.

1. **Corporate information**

Allsectech Manila, Inc. (the "Company") is primarily engaged in the business of trading Information Technology related goods and services on wholesale basis, without engaging in retail trade. Goods such as computer equipment, software and operating systems, services such as programming, consultation, systems and administration and deployment, managing information services, creating consumer software applications, building enterprise applications, integrating independent solutions, and data warehousing.

On October 3, 2007, all of the Company's equity holders signed a share purchase agreement with Allsec Technologies, Ltd., (the "Parent"), a foreign Company, thereby transferring all their respective shares to the latter. Accordingly, the Company's management has changed. The Company is a wholly-owned subsidiary of Allsec Technologies, Ltd., (the "Parent Company"), a publicly-listed Company based in Chennai, India. Allsec Technologies Limited is India's leading Technology Services provider catering to Global Digital Business Services, HRMS & Payroll Services.

The Company's principal address is 3/F Market Market, Bonifacio Global City Taguig City, Metro Manila.

2. **Basis of preparation**

The Financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statement has been prepared on an accrual basis and under the historical cost convention, except in case of assets for which provision for impairment is made and revaluation is carried out, if applicable.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for those changes as explained below.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(c) Depreciation on tangible fixed assets

Depreciation is provided using straight-line method over its estimated useful life of three years for computers and IT Equipment, three years for furniture and fixtures and over the primary term of the lease, for leasehold improvements. Minor repairs and maintenance are expensed as incurred.

Asset Description	Useful life
Computer and IT Equipment	3-5 years
Office Furniture, Fixtures and Equipment	3-5 years
Leasehold improvements	5 years

(d) Intangible assets

The Company has no intangible asset as at March 31, 2020.

(e) Leases

The Company has not entered into any finance lease agreement during the quarter and nine months ended March 31, 2020.

(f) Impairment of tangible 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.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years.

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 recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

The carrying amount of goodwill arising on consolidation is reviewed for impairment in accordance with the requirements of Accounting Standard 28 "Impairment of Assets" and impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

(g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognized as services are performed in accordance with the specific terms of the contract with the customer. Unbilled revenue represents accrual of income relating to services provided but not billed as at the year end.

(h) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(i) Contingent liabilities

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

(j) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short- term investments with an original maturity of three months or less.

3. Leases

Operating leases
Operating Lease Commitments - Company as Lessor. The Company has entered into property leases. The Company has determined that the significant risks and rewards of ownership of this property are not transferred to the lessees under the operating lease arrangement. Accordingly, the lease arrangement is considered as operating lease.

Operating Leases - Company as Lessee. The Company has entered into various lease agreements as a lessee. The Company has determined that the lessor retains all significant risks and benefits of ownership of these properties, which are leased out under operating lease arrangements. Accordingly, these leases are accounted for as operating leases.

Rent expense amounted to P 27,797,498 and P 23,213,112 as at March 31, 2020 and 2019, respectively.

(All amounts are in Philippine Peso, unless otherwise stated)

4. Income Taxes

The Company is a registered with the Philippine Economic Zone Authority (PEZA). Under Section 24 of Republic Act No. 7916, no national and local taxes shall be imposed on registered business enterprises within the Economic Zone (ECOZONE). In lieu of the said taxes, a five percent (5%) tax on gross income shall be paid by all registered business enterprises within the economic zone and shall be directly remitted as follows: three percent (3%) to the National Government, one percent (1%) to the local government units affected by the declaration of the ECOZONE in proportion to their population, land area, and equal sharing factors; and one percent (1%) for the establishment of a development fund to be utilized for the development of municipalities outside and contiguous to each ECOZONE.

Income Tax under Preferential Rate of 5%

		March 31, 2020
Revenue	P	639,932,800
Less: Cost of service		281,841,131
Taxable income		358,091,669
Preferential rate		5%
Income tax payable under preferential rate	P	**17,904,583**

Income Tax under Regular Corporate Income Tax (RCIT) of 30%

		March 31, 2020
Annual Revenue	P	58,569,434
Less: Cost of service		57,224,269
Taxable income	P	1,345,164
Preferential rate		30%
Income tax payable RCIT rate	P	**403,549**

Income Tax under Preferential Rate of 5%	P	17,904,583
Income Tax under RCIT Rate of 30%		403,549
Income Tax paid		(14,979,786)
Creditable Tax		(5,400)
Total Income Tax Payable	P	**3,322,946**

(All amounts are in Philippine Peso, unless otherwise stated)

5. Related party disclosures

	Amount of Transactions		Outstanding Balances	
	2020	2019	2020	2019
Due from related parties				
A/R from affiliates	(5,292,078)	17,052,615	11,760,538	17,052,615
Advances to affiliates	(291,614)	726,797	2,597,513	2,889,127
	(5,583,692)	17,779,412	14,358,051	19,941,742
Due from related parties				
Due to Allsec Technologies India	9,945	5,477,540	2,870,828	2,860,882
Due from (to) related parties	(5,593,637)	23,256,952	11,487,223	17,080,860

6. Contingencies and commitments

The Company is not a defendant in any law suit as at March 31, 2020. Therefore, no provisions and/or contingencies are reported in the financial statements.

ENRICO T. PIZARRO
Partner, ETP and ASSOCIATES CO.
CPA Certificate No. 0097067

DENNIS T. ESTAVILLO
Senior Manager - Finance
Allsectech Manila, Inc.

Place: Manila, Philippines
Date: May 11, 2020

RETREAT CAPITAL MANAGEMENT, INC.

FINANCIAL STATEMENTS

MARCH 31, 2020 AND MARCH 31, 2019

RETREAT CAPITAL MANAGEMENT, INC

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March 31, 2020 and 2019

RAVI VENKATARAMAN, CPA LLC
CERTIFIED PUBLIC ACCOUNTANT
14 COURTSIDE LANE
PRINCETON, NJ 08540

TEL: (609) 452-7770 FAX: (732) 823-1405

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Retreat Capital Management, Inc.
Princeton, NJ

We have audited the accompanying financial statements of Retreat Capital Management Inc (a California Corporation),.which comprise the balance sheets as of March 31, 2020 and 2019 and the related statements of operations, cash flows, and stockholder's equity for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements.
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's 'preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Retreat Capital Management, Inc. as of March 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

R. Venkataraman

Ravi Venkataraman, CPA

May 5, 2020

Princeton, New Jersey

RETREAT CAPITAL MANAGEMENT, INC.
BALANCE SHEET
AS OF March 31,

		2020		2019
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$	9,120	$	52,271
Accounts Receivable		-		1,318,737
Deposits		-		19,720
Prepaid expenses		-		2,888
Advances Tax		-		7,906
Due from Affiliate		13,301		-
Total Current Assets		**22,421**		**1,401,522**
PROPERTY AND EQUIPMENT				
Property and Equipment		-		2,254,281
Accumulated Depreciation		-		(2,239,809)
Net Property and Equipment		**-**		**14,472**
Total Assets	**$**	**22,421**	**$**	**1,415,994**
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts Payable	$	-	$	372,724
Accrued Payroll		-		291,419
Provision for Taxes		125,000		-
Other Payables		-		14,429
Total Current Liabilities		**125,000**		**678,572**
LONG-TERM LIABILITIES				
Notes payable Loan from Allsec		-		1,250,000
Total long-term liabilities				
COMMITMENTS AND CONTINGENCIES		-		-
Total liabilities		**125,000**		**1,928,572**
STOCKHOLDERS' EQUITY				
Common Stock-no par value, 1,000,000 shares authorized and 1,000 shares issued and outstanding		11,600		11,600
Additional Paid in Capital-securities premium		495,000		495,000
Retained Earnings		(609,179)		(1,019,178)
Total Stockholders' Equity		**(102,579)**		**(512,578)**
Total Liabilities and Equity	**$**	**22,421**	**$**	**1,415,994**

See Independent Auditor's Report and notes to financial statements

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RETREAT CAPITAL MANAGEMENT, INC.
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED MARCH 31,

		2020		2019
Operating Revenues	$	560,000	$	36,850
Cost of Revenues		(76,447)		(470,483)
Gross Profit		483,553		(433,633)
Operating Expenses (Schedule 1)		(105,497)		(1,115,592)
Income from operations		378,056		(1,549,225)
Other Income and Expenses				
Other income- Accrual adjustment		165,585		
				-
Total other income and (Expense)		165,585		-
Interest Income and other income		-		-
Notes Payable- Allsectec waived		-		
Income before provision for income taxes		543,641		(1,549,225)
Provision for Income Taxes				
Current Tax		(133,642)		(94,131)
		-		-
Interest on Earlier year tax writte back		-		-
		(133,642)		(94,131)
Net Income/ (Loss)	**$**	**409,999**	**$**	**(1,643,356)**

See Independent Auditor's Report and notes to financial statements

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RETREAT CAPITAL MANAGEMENT, INC.
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31,

	Common Stock	Retained Earnings	2020
Balance as of April 1, 2019	$ 506,600	$ (1,019,178)	$ (512,578)
Capital Contributions during the year	-	-	-
Earnings/(Loss)-FY 2020	-	409,999	409,999
Prior Period Adjustment			0
Ending balance,March 31, 2019	**$ 506,600**	**$ (609,179)**	**$ (102,579)**

See Independent Auditor's Report and notes to financial statements

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RETREAT CAPITAL MANAGEMENT, INC.
STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED MARCH 31,

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 409,999	$ (1,643,355)
Depreciation	10,854	48,945
Prior period adjustment		2,516
Rounding off error		(1)
Adjustments to reconcile Net Income to net cash provided by operating activities:		
Accounts Receivable	1,318,737	2,019,374
Deposits	19,720	-
Prepaid expenses	(9,010)	2,678
Advance Tax	7,906	335,847
Accounts Payable	(370,883)	154,174
Accrued Payroll	(268,557)	(661,347)
Provision for Taxes	125,000	(235,863)
Other Payables	(4,672)	4,666
Due from Affiliate	(35,863)	
Net Cash provided by Operating Activities	1,203,231	27,634
CASH FLOW FROM FINANCING ACTIVITIES		
Property and Equipment wriiten off	3,618	
Intercompany Loan waived	(1,250,000)	
Capital Contributions	-	
Net Cash used by Financing Activities	(1,246,382)	
Net Cash increase for the Year	(43,151)	27,634
Cash And Cash Equivalents At Beginning Of Year	52,271	24,637
Cash And Cash Equivalents At End Of Year	**$ 9,120**	**$ 52,271**
Supplemental disclosure of cash flow information		
Cash paid during the years		
Interest	$ -	$ -
Income taxes	**$ 94,131**	**$ 94,131**

See Independent Auditor's Report and notes to financial statements

RETREAT CAPITAL MANAGEMENT, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2020

Note 1 - General

Retreat Capital Management, Inc. (the "Company") was incorporated on April 24, 2008 in the State of California. The Company is a default management solution company that offers a unique combination of people, processes, technology and field services designed to assist lenders, mortgage servicers, real estate companies, hedge funds and other institutions. Outsourcing and in-sourcing of personnel are provided on a scalable and as-needed basis. The Company assists clients with the ability to achieve their financial objectives, timing requirements and to effectively comply with government mandated guidelines and market needs. In January 2015, Allsec Technologies Ltd. became 100% owners of Retreat Capital Management, Inc.

Conneqt Business Solutions Limited ('Conneqt'), a subsidiary of Quess Corp Limited, had entered into share purchase agreements dated April 17, 2019 with Mr. Jagadish R, Mr. Saravanan A and First Carlyle Ventures Mauritius to acquire 9,349,095 equity shares, representing 61.35% of the voting share capital of Allsec Technologies Limited. The effective date of acquisition of equity shares by Conneqt was June 3, 2019.

Consequent to this transaction, Allsec Technologies Limited has become the subsidiary of Conneqt with effect from June 3, 2019 with effective date of acquisition being considered as 1st June 2019 in terms of IND AS accounting standards and RCM has become a step down subsidiary of Conneqt.

Note 2 - Summary of Significant Accounting Policies

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statement. The financial statement and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The financial statements are prepared on accrual basis. The financial statement is presented for the year ended March 31, 2020.

Revenue Recognition

The Company generates revenue from providing mortgage related services to companies. The Company's services consist of loan modification processing, underwriting, pre close and closing, notary, staffing, door to door pick up, market analysis and quality control related to mortgage. Revenue is recognized as services are performed. Unbilled services represent revenue on services performed but not billed until the subsequent period. Advances received prior to providing services will be treated as deferred revenues and recognized when services are performed.

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Note 2 - Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash

Cash consists primarily of working funds. For purposes of the Statement of Cash Flow, cash is defined as unrestricted cash balances and investments with original maturities of six months or less.

Property and Equipment

Property and equipment are reflected at cost. Depreciation is provided using straight-line method over its estimated useful life of six years for computers, five years for furniture and fixtures and over the primary term of the lease, 60 months expiring in July 2017, for leasehold improvements. Maintenance and repairs are expensed as incurred.

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 360, *Property, Plant and Equipment*. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to undiscounted expected cash flows. Future events could cause the Company to conclude that impairment indicators exist and that long-lived assets may be impaired.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are equal or approximate their fair values due to the short term maturity of those instruments.

Cost of Revenues

Costs of revenues consist of discounts taken by clients under early payment terms.

Allowance for Doubtful Accounts

The allowance for doubtful accounts represents an estimate by the Company's management of specific accounts deemed uncollectible.

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Note 2 - Summary of Significant Accounting Policies (concluded)

Income Taxes

In a prior year, the Company had elected by unanimous consent of its stockholder to be taxed as an S Corporation under the Internal Revenue Code. Under those provisions, the Company did not pay federal corporate income taxes on its taxable income. Instead, the stockholder was liable for individual income taxes on their respective shares of the Company's net operating loss. Due to acquisition of 66% of interest in the Company by Allsec Technologies Limited, as discussed in Note 1, the Company automatically terminated the S Corporation election and all income will be taxed at the corporate level.

The Company, in accordance with FASB ASC 740 Topic, Income Taxes, performs the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more likely than not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more likely than not threshold would be derecognized and recorded as a tax benefit or expense in the current year. However, the Company's conclusions regarding these uncertain tax positions will be subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analysis of tax laws, regulations and interpretations thereof.

The Company classifies interest on uncertain tax positions as interest expense and classifies income tax penalties as a component of income tax expense.

Note 3 - Property and Equipment

At March 31, 2020, property and equipment consists of the following:

Computers	$	746,031
Furniture and fixtures		690,451
Company vehicle		0
Capital lease assets		371,414
Leasehold improvements		446,385
MSP License Cost		0
Total		2,254,281
Less: Accumulated depreciation		(2,254,281)
Property and equipment – net	$	0

The useful lives of property and equipment for the purpose of computing depreciation are five to six years. Since the company is being prepared for winding up , it has transferred its assets at book value to its associate Allsectech Inc , USA.

Note 4 - Provision for Income Taxes

Temporary difference giving rise to the deferred tax benefit consist primarily of the excess of depreciation and amortization for tax purposes over the amount for financial reporting purposes, inventory cost capitalized for tax purposes but expended for financial reporting purposes, and vacation pay and other accruals and allowance for doubtful accounts reported differently for financial reporting and tax purposes.

The Company's effective income tax rate is higher than what would be expected if the federal statutory rate were applied to income from continuing operations primarily because of expenses deductible for financial reporting purposes that are not deductible for tax purposes.

Note 5. Legal

There are no legal suite pending against the company. There was one pending suit that has dismissed with prejudice. This case was against Retreat Capital Management, Inc. d/b/a Allsec Financial Services, Allsectech, Inc., Allsec Technologies, Ltd., and Adiseshan Saravanan, erstwhile promoter was a collective action under the Fair Labor Standards Act against. The case was filed on September 24, 2018 and is Cause No. 3:18-CV-02539-S pending in the United States District Court for the Northern District of Texas – Dallas Division. A total of 54 current and former independent contractors have opted in to this case, alleging that they were misclassified as independent contractors and should have been paid an additional 50% of their hourly wages over forty hours in a week, inasmuch as they were paid straight time overtime. The matter had been settled in principle for 35 employees, but we were awaiting settlement agreements from the remaining 19 plaintiffs until the case could be finally dismissed. The case is over and has been dismissed with prejudice.

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RETREAT CAPITAL MANAGEMENT, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2020

Note 6 – Concentration of Credit Risk

The Company maintains its cash balance in banks located in California. The Company maintains its cash in bank deposit accounts. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Concentration of credit with respect to receivables is with companies with good credit rating. The Company establishes an allowance for uncollectible trade accounts based on historical collection experience and management's evaluation of collectability of outstanding accounts receivable. Due to strong credit background of its customers the Company does not maintain an allowance for doubtful accounts.

Note 7 – Winding up operations

Management has decided to wind up the operations of the company effective January 1, 2020. This decision was made to improve operational efficiency and reduce cost by transferring some of the business to its affiliate company, Allsectech, Inc. Management is not providing for the winding up costs and will accrue and pay from their affiliate company Allsectech Inc. in the US as and when it is incurred.

Note 8- Other Income

The Other income of $165,585 represents reversal of accruals and provisions not required since the company is in the process of winding up.

Note 9 – Subsequent Events

The Company has evaluated the need for disclosures and/or adjustments resulting from subsequent events through May 5, 2020. The evaluation did not result in any subsequent events that necessitated disclosures and/or adjustments.

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Note 10 – Adjusted Net Worth

The Company is not in compliance with its adjusted net worth calculation for issuer. The Company's failure to comply with the financial covenants could result in failure to qualify for the federal government program. If it is not cured or waived, this could have adverse effects on the Company.

Since management has decided to cease operations and wind up the company effective January 1, 2020, there may not be any implication for this non-compliance.

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RETREAT CAPITAL MANAGEMENT, INC.
SCHEDULE-1 SCHEDULE OF OPERATING EXPENSES
FOR YEARS ENDED MARCH 31,

Operating expenses	**2020**	**2019**
Bank Service Charges	$ 4,218	$ 5,991
Depreciation Expense	10,854	48,945
Insurance	19,871	26,015
Marketing	-	20,421
Contract Labor	-	470,136
Office Supplies & Expenses	3,936	8,017
Professional Fees	36,945	228,433
Recruitment and training	424	25,118
Rent	7,782	12,784
Rates, Licenses & Taxes	10,328	188,958
Repairs and Maintenance	-	1,375
Telephone & Internet	53	30,414
Travel	-	29,843
Utilities	11,086	19,142
Total	**$ 105,497**	**$ 1,115,592**

See Independent Auditor's Report and notes to financial statements

Deloitte
Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru - 560 001
Karnataka, India

Tel: +91 80 6188 6000
Fax: +91 80 6188 6011

INDEPENDENT AUDITOR'S REPORT

To The Members of Terrier Security Services (India) Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Terrier Security Services (India) Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 the Director's report including Annexures to Director's report included in the management 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 during the course of our 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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 statement 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.

Those Board of Directors are 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and (ii) To evaluate the effect of any identified misstatements in the financial statements.

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.

Other Matters

Corresponding figures of the Company for the year ended 31 March 2019 have been audited by another auditor who expressed an unmodified opinion dated 02 May 2019 on the financial statements of the Company for the year ended 31 March 2019.

Our opinion on the financial statements is not modified in respect of the above matter

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit 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 Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

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 Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Anand Subramanian
Partner
(Membership No. 110815)
(UDIN: 20110815AAAAAV5550)

Place: Bengaluru
Date: 27 May 2020

Deloitte
Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru - 560 001
Karnataka, India

Tel: +91 80 6188 6000
Fax: +91 80 6188 6011

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Terrier Security Services (India) Private Limited** ("the Company") as of 31st March 2020 in conjunction with our audit of the Ind AS 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Anand Subramanian
Partner
(Membership No. 110815)
(UDIN: 20110815AAAAAV5550)

Place: Bengaluru
Date: 27 May 2020

Deloitte
Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
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Karnataka, India

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Fax: +91 80 6188 6011

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Companies Act, 2013 ("the Act") of Terrier Security Services (India) Private Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

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

(c) The Company does not have any immovable properties of freehold or leasehold land and building. In respect of immovable property of building that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company

(ii) As explained to us, the inventories were physically verified by the Management on cyclical basis and no material discrepancies were noticed on physical verification.

(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.

(iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees which are covered under the provisions of Sections 185 and 186 of the Act, and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and hence, the provisions of clause (v) of the Order are not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Service Tax which have not been deposited as on 31st March 2020, on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates (Financial Year)	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Finance Act, 1994	Service Tax and interest thereon	Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS)*	2013-14 to 2016-17 and April to June 2017	1,845,876	1,845,876

*The Company has filed for application under Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 and the amount has been paid post the year end.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. There are no loans and borrowings from government, Financial Institution and the Company has not issued any debentures.

(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under Clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private Company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company, hence reporting under Clause (xi) of the Order is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under Clause (xii) of the Order is not applicable.

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(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under Clause (xiv) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Anand Subramanian
Partner
(Membership No. 110815)
(UDIN: 20110815AAAAAV5550)

Place: Bengaluru
Date: 27 May 2020

Terrier Security Services (India) Private Limited

(Amount in Rs)

Balance Sheet	Note	31 March 2020	31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,84,07,494	3,22,18,375
Right of use assets	4	3,56,09,869	-
Intangible assets	5	6,32,465	22,34,264
Financial assets			
Non-current loans	6	2,03,00,277	38,99,142
Deferred tax assets (net)	7	16,28,03,794	12,30,24,970
Income tax assets (net)	8	21,51,69,887	17,60,29,608
Total non-current assets		46,29,23,786	33,74,06,359
Current Assets			
Inventories	9	61,05,477	23,31,952
Financial assets			
Trade receivables	10	84,91,44,658	1,06,47,90,159
Cash and cash equivalents	11	4,73,74,662	3,72,19,091
Other bank balances	12	2,33,10,136	1,55,62,637
Current loans	13	-	1,40,44,030
Unbilled Revenue	14	27,29,89,016	17,69,71,389
Other current financial assets	15	16,33,789	4,34,309
Other current assets	16	2,97,88,328	3,08,49,855
Total current assets		**1,23,03,46,066**	**1,34,22,03,422**
Total Assets		**1,69,32,69,852**	**1,67,96,09,781**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	50,00,000	50,00,000
Other equity	18	19,01,06,678	38,11,88,949
Total equity attributable to equity holders of the Company		19,51,06,678	38,61,88,949
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	19	1,91,00,535	-
Non-current provisions	20	9,90,64,042	2,88,90,477
Total non current liabilities		11,81,64,577	2,88,90,477
Current liabilities			
Financial liabilities			
Lease liabilities	19	1,80,72,604	-
Current borrowings	21	54,48,56,784	26,06,08,562
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	22	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	22	7,58,78,774	34,11,67,515
Other current financial liabilities	23	53,25,18,939	40,86,86,126
Current provisions	24	9,98,05,606	9,86,74,049
Other current liabilities	25	10,88,65,890	15,53,94,103
Total current liabilities		**1,37,99,98,597**	**1,26,45,30,355**
Total liabilities		**1,49,81,63,174**	**1,29,34,20,832**
Total Equity and Liabilities		**1,69,32,69,852**	**1,67,96,09,781**

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

for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 008072S

Anand Subramanian
Partner
Membership No. 110815

Place: Bengaluru
Date: 27 May 2020

for and on behalf of Board of Directors of
Terrier Security Services (India) Private Limited

S. Ramakrishnan

Subramanian Ramakrishnan
Director
DIN : 03522114

Guruprasad Srinivasan
Director
DIN:07596207

Place: Bengaluru
Date: 11 May 2020

Terrier Security Services (India) Private Limited

(Amount in Rs)

Statement of Profit and loss	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	26	5,11,42,53,689	4,29,41,74,278
Other income	27	1,13,70,242	1,31,33,242
Total Income		**5,12,56,23,931**	**4,30,73,07,520**
Expenses			
Cost of materials, stores and spare parts consumed	28	4,98,35,088	4,44,97,907
Employee benefits expense	29	4,70,15,16,139	3,87,74,41,015
Finance costs	30	6,04,12,499	2,01,78,115
Depreciation and amortisation expense	31	3,46,68,011	2,41,51,247
Other expenses	32	46,75,67,390	33,76,45,308
Total expenses		**5,31,39,99,127**	**4,30,39,13,592**
(Loss)/ profit before tax		**(18,83,75,196)**	**33,93,928**
Tax expense			
Current tax	33	-	(93,06,086)
Deferred tax	33	3,97,78,824	8,50,03,518
Total tax expense		**3,97,78,824**	**7,56,97,432**
(Loss)/ profit for the year		**(14,85,96,372)**	**7,90,91,360**
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Re-measurement (losses)/ gains on defined benefit plans		(4,24,85,899)	28,57,619
Income tax relating to items that will not be reclassed to profit or loss		-	-
Other comprehensive (loss)/ income for the year, net of income tax		**(4,24,85,899)**	**28,57,619**
Total comprehensive (loss)/ income for the year		**(19,10,82,271)**	**8,19,48,979**
(Loss)/ earnings per equity share (face value of Rs 10 each)	38		
Basic		(297.19)	158.18
Diluted		(297.19)	158.18

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 008072S

for and on behalf of Board of Directors of
Terrier Security Services (India) Private Limited

S. Ramakrishnan

Anand Subramanian
Partner
Membership No. 110815

Subramanian Ramakrishnan
Director
DIN : 03522114

Guruprasad Srinivasan
Director
DIN:07596207

Place: Bengaluru
Date: 27 May 2020

Place: Bengaluru
Date: 11 May 2020

Terrier Security Services (India) Private Limited

(Amount in Rs)

Statement of Cash Flows	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
(Loss)/ profit before tax	(18,83,75,196)	33,93,928
Adjustments for:		
Depreciation and amortisation of fixed assets	1,67,73,464	2,41,51,247
Deposits written off	40,93,461	-
Depreciation of right of use of leased assets	1,78,94,547	
Loss/ (profit) on sale of property, plant and equipment, net	-	(16,54,727)
Bad debts written off	31,92,399	1,11,720
Loss allowance on financial assets	24,36,74,704	4,09,06,860
Interest income on term deposits	(13,32,757)	(4,80,768)
Finance costs	5,62,46,229	2,01,78,115
Finance costs on right of use assets	41,66,270	-
Operating cash flows before working capital changes	**15,63,33,121**	**8,66,06,375**
Working capital adjustments:		
Changes in:		
Inventories	(37,73,525)	34,95,255
Trade receivables	(3,12,21,602)	(25,86,91,065)
Unbilled revenue	(9,60,17,627)	(14,74,93,806)
Other financial assets	1,33,277	(7,04,110)
Other assets	10,61,527	(1,63,61,663)
Loans	(64,50,566)	8,20,268
Trade payables	(26,52,88,741)	15,07,11,247
Other financial liabilities	12,38,32,812	2,58,26,310
Other liabilities	(4,65,28,213)	2,35,29,378
Provisions	2,88,19,223	4,22,484
Cash generated from operations	**(13,91,00,314)**	**(13,18,39,327)**
Income taxes paid, net of refund	(3,91,40,279)	(7,28,98,001)
Net cash used in operating activities (A)	**(17,82,40,593)**	**(20,47,37,328)**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles	(1,13,60,783)	(79,81,199)
Proceeds from sale of fixed assets	-	16,54,727
Bank deposits (having original maturity of more than three months)	(77,47,499)	(1,08,10,009)
Interest income on term deposits	-	4,80,768
Net cash used in investing activities (B)	**(1,91,08,282)**	**(1,66,55,713)**
Cash flows from financing activities		
Proceeds from borrowings, net	24,31,28,164	25,48,63,694
Lease Payments	(2,04,97,547)	-
Finance cost paid	(1,51,26,171)	(2,01,78,115)
Net cash from financing activities (C)	**20,75,04,446**	**23,46,85,579**
Net increase in cash and cash equivalents (A+B+C)	1,01,55,571	1,32,92,538
Cash and cash equivalents at the beginning of the year	3,72,19,091	2,39,26,553
Cash and cash equivalents at the end of the year	**4,73,74,662**	**3,72,19,091**

Components of cash and cash equivalents

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash and cash equivalents		
Cash on hand	22,004	23,711
Balances with banks		
In current accounts	4,73,52,658	3,71,95,380
Cash and cash equivalents as per note balance sheet	**4,73,74,662**	**3,72,19,091**

The accompanying notes form an integral part of thefinancial statements.
As per my report of even date attached

for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 008072S

for and on behalf of Board of Directors of
Terrier Security Services (India) Private Limited

S. Ramakrishnan

Anand Subramanian
Partner
Membership No. 110815

Subramanian Ramakrishnan
Director
DIN : 03522114

Guruprasad Srinivasan
Director
DIN:07596207

Place: Bengaluru
Date: 27 May 2020

Place: Bengaluru
Date: 11 May 2020

Terrier Security Services (India) Private Limited
Statement of Changes in Equity

(Amount in Rs)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Equity attributable to Equity holders of the Company
	Retained Earnings	Other Reserve	Other Items of Other comprehensive Income	
Balance as of 31 March 2018	**29,89,12,533**	**22,00,000**	**(18,72,563)**	**29,92,39,970**
Add: Profit for the year	7,90,91,360	-	-	7,90,91,360
Add: Remeasurement of the net defined benefit Liability/Asset, net of tax effect	-	-	28,57,619	28,57,619
Balance as of 31 March 2019	**37,80,03,893**	**22,00,000**	**9,85,056**	**38,11,88,949**
Add: Loss for the year	**(14,85,96,372)**	-		(14,85,96,372)
Add: Remeasurement of the net defined benefit Liability/Asset, net of tax effect		-	**(4,24,85,899)**	(4,24,85,899)
Balance as of 31 March 2020	**22,94,07,521**	**22,00,000**	**(4,15,00,843)**	**19,01,06,678**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 008072S

Anand Subramanian
Partner
Membership No. 110815

Place: Bengaluru
Date: 27 May 2020

for and on behalf of Board of Directors of
Terrier Security Services (India) Private Limited

S. Ramakrishnan

Subramanian Ramakrishnan
Director
DIN : 03522114

Guruprasad Srinivasan
Director
DIN:07596207

Place: Bengaluru
Date: 11 May 2020

1. Company overview

Terrier Security Services (India) Pvt. Ltd., ('the Company') is a private limited company incorporated and domiciled in India. The registered office of the Company is located at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru-560103, Karnataka state, India. The Company is engaged in the business of Security (Manned guarding), Electronic Security & Surveillance, Investigation & Verification Services & Training of guarding personnel.

Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use Financial statement have been approved and adopted by the Company on 11 May 2020.

2. Basis of preparation

2.1 Statement of compliance

The company being the associate of M/s.Quess Corp Ltd., a company whose equity is listed in both Bombay Stock Exchange (BSE) & National Stock Exchange, (NSE). These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.2 Basis of preparation

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

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO") and

iii. Contingent consideration in business combinations are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Operating cycle for the business activities of the Company covers the duration of the specific project or contract and extends up to the realisation of receivables within the agreed credit period normally applicable to the respective lines of business. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months except for Training and skill development business. For Training and skill development business the duration of operating cycle has been concluded as 15 - 18 months, depending on the projects, considering the time from mobilization of candidates till funds are released by relevant government authorities.

2.3 Use of estimates and judgement

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of assets including receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as on date of approval of these financial statements has used internal and external sources of information to the extent available and has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets to be recovered. The Company will continue to monitor future economic conditions for any significant change.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Terrier Security Services (India) Pvt. Ltd. Bangalore

i. ***Contingent liabilities:*** Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs (except, in the extremely rare circumstances where no reliable estimate can be made).

ii. ***Income taxes:*** Significant judgments are involved in determining provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities and the projected future taxable income in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

iii. ***Measurement of defined benefit obligations:*** The cost of the defined benefit obligations is based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. All assumptions are reviewed on a periodic basis.

iv. ***Impairment of financial assets: :*** The Company recognizes loss allowances using the Expected credit loss (ECL) model for the financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The loss rates for the trade receivables considers the credit risk of the customers and have been adjusted to reflect the Management's view of economic conditions over the expected collection period of the receivables.

v. ***Property, plant and equipment and Intangible assets:*** The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically.

vi. ***Other estimates:*** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer creditworthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

2.5 Measurement of fair values

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In determining the fair value of an asset or a liability, the Company uses different methods and assumptions based on observable market inputs. All methods of assessing fair value result in general approximation of value, and such value may not actually be realized.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.6 Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

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The cost and related accumulated depreciation are derecognized from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

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. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is classified as capital advances under other non-current assets and the cost of the assets not ready for intended use are disclosed under 'Capital work-in-progress'.

ii) Depreciation methods, estimated useful lives and residual value

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Asset category	Estimated useful life
Furniture and fixtures	5 years
Vehicles	3 years
Office equipment	5 years
Plant and machinery	3 - 8 years
Computer equipment	3 years

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Leasehold improvements are depreciated over lease term or estimated useful life whichever is lower.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed periodically, including at each financial year end.

2.8 Intangible assets

(i) Intangible assets

Internally generated: Research and development

Research costs are expensed as incurred. Software product 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 the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Others

Other intangible assets such as computer software, copyright and trademarks are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brand, is recognised in the statement of profit and loss as and when incurred.

(iii) Amortisation

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The estimated useful lives of intangible assets are as follows:

Asset category	Estimated useful life for 31 March 2020
Software (owned)	3 years

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

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2.9 Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it's carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss. Intangible assets that do not have definite useful life are not amortised and are tested at least annually for impairment. If events or changes in circumstances indicate that they might be impaired, they are tested for impairment more frequently.

2.10 Leases

The Company as a lessee:

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. 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.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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 ROU 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.

ROU 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. ROU 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 amortized 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 re-measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

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

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application

3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of 31 March 2019 under Ind AS 17 disclosed under the Standalone financial statements and the value of the lease liability as of 1 April 2019 is primarily on account of inclusion of extension and termination options reasonably certain

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to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 9.50%,

2.11 Inventories

Inventories (raw materials and stores and spares) are valued at lower of cost and net realisable value. Cost of inventories comprises purchase price and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell.

2.12 Revenue recognition

The Company adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over goods or service to a customer. The method for recognizing revenues and costs depends on the nature of the services rendered.

Revenue on time-and-material contracts are recognized as the related services are rendered and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied overtime and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as income received in advance).
Policy in case of Contract modifications

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Policy in case of variable consideration

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Policy in case of warranties

The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of service delivery costs.

Policy in case of cost of obtaining a contract

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term.
Policy in case of Principal vs agent

The Company may enter into arrangements with third party suppliers to provide services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the service before it is transferred to the customer. If the Company control the service before it is transferred to the customer, it is the principal; if not, it is the agent.

Refer Note 26 for disclosure related to revenue from contracts with customers
(a)Manned guarding services:

Revenue from the Manned guarding services are primarily earned on a fixed fee basis and are recognized ratably over the period of the contract with the customers. All arrangements are on time basis and are recognized as the services are performed as per the terms of arrangement with the customers.

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(b)Electronic Security Surveillance (Sales & Services):

Revenue from Electronic security surveillance services are earned and recognized on transfer of risk and reward/ successful implementation of every project undertaken. The annual maintenance service contracts, both comprehensive and non-comprehensive, are accepted after the expiry of warranty period given by the OEM's (original equipment manufacturers), the revenue is measured in the case of comprehensive AMC's based on the size of the project value and in the case of non-comprehensive AMC's the same is measured on case to case basis.

(c)Training

Revenue from Training services are earned on a fixed fee basis depending on the nature of training imparted such as firefighting, basic first aid, evacuation drill, fire mock drill, material management training, men management, key management, visitor management, discipline, communication, behavioral structure training etc., the revenue is recognized only after the completion of the training of the participants.

Revenue from training services is recognized prorated over the period of training.

2.13 Other income

Other income mostly comprises interest income on deposits, dividend income and gain/ (losses) on disposal of financial assets and non-financial assets. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

2.14 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the respective transactions. Foreign-currency denominated monetary assets and liabilities are translated into the functional currency at exchange rates in effect at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and such translation of monetary assets and liabilities denominated in foreign currencies are generally recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

2.15 Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Financial assets

(i) Classification and subsequent measurement

For the purpose of subsequent measurement, a financial asset is classified and measured at

- amortised cost;
- fair value through other comprehensive income (FVTOCI) - debt investment;
- fair value through other comprehensive income (FVTOCI) - equity investment; or
- fair value through profit and loss (FVTPL).

1. A financial asset is measured at amortised cost if both the following conditions are met:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

2. A debt investment is measured at FVTOCI if both of the following conditions are met:

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- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets ; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

3. On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the fair value in OCI (designated as FVTOCI-equity investment). This election is made on an investment-to-investment basis.

4. All financial assets not classified as amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.
Equity investments at FVOCI recognised	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the statement of profit and loss.

(ii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and unbilled revenues. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. ECL impairment loss allowance (or reversal) is recognised as an income/expense in the statement of profit and loss during the period.

(iii) Derecognition of financial assets

A financial asset is derecognised only when the Company:
- has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

c) Financial liabilities

(i) Classification, subsequent measurement and gains and losses

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Financial liabilities are classified and measured at amortised cost or FVTPL. Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(ii) Financial guarantee contracts

Financial guarantee contracts are those contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because the specified party fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts are initially recognised at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amortisation.

(iii) Derecognition

A financial liability is derecognised when the Company's obligations are discharged or cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.16 Employee benefits

a) Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Short-term employee benefits are measured on an undiscounted basis as the related service is provided.

b) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

c) Defined contribution plan

Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The Company makes specified monthly contributions towards Employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The expenditure for defined contribution plan is recognized as expense during the period when the employee provides service.

d) Defined benefit plans

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's gratuity fund is managed by Life Insurance Corporation of India (LIC). The present value of gratuity obligation under such defined benefit plan is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

Actuarial gains or losses are recognised in other comprehensive income. Further, the statement of profit and loss does not include an expected return on plan assets. Instead net interest recognised in the statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Re-measurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to the statement of profit and loss in subsequent periods.

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2.17 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

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 reporting date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting 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.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be used. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

2.18 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. 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 risk specific to the liability. The unwinding of discount is recognised as finance cost.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

2.19 Contingent liability

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

2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks, demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash on hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.21 Cash flow statement

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Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.19 Earnings per share

Basic earnings per share is computed by dividing the net profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

2.20 Segment reporting

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The company is engaged in the business of Software Support Services and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The company's management is of the opinion that the company does not have secondary segments and hence segment reporting is not applicable

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Notes to the financial statements for the year ended 31 March 2020

3 Property, plant and equipment

(Amount in Rs)

Particulars	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Total
Gross block						
As at 31 March 2018	**11,864,000**	**15,691,478**	**18,009,697**	**10,245,176**	**16,274,234**	**72,084,585**
Additions during the year	-	450,681	-	1,834,563	5,227,252	7,512,496
Reclassification			(130,000)		130,000	-
Disposals for the year	-	-	2,793,325	-	-	2,793,325
As at 31 March 2019	**11,864,000**	**16,142,159**	**15,086,372**	**12,079,739**	**21,631,486**	**76,803,756**
Additions during the year	383,898	1,456,788	94,500	3,695,213	5,730,385	11,360,784
Disposals for the year	-	-	-	-	-	-
As at 31 March 2020	**12,247,898**	**17,598,947**	**15,180,872**	**15,774,952**	**27,361,871**	**88,164,540**
Accumulated Depreciation						
As at 31 March 2018	**591,251**	**3,083,790**	**14,355,997**	**4,811,248**	**2,862,391**	**25,704,677**
Depreciation for the year	3,561,794	4,362,486	2,907,862	982,994	9,713,619	21,528,755
Reclassification			(130,000)		130,000	-
Accumulated depreciation on deletion	-	-	2,648,051	-	-	2,648,051
As at 31 March 2019	**4,153,045**	**7,446,276**	**14,485,808**	**5,794,242**	**12,706,010**	**44,585,381**
Depreciation for the year	2,421,754	2,944,895	602,706	2,371,464	6,830,846	15,171,665
Accumulated depreciation on deletion	-	-	-	-	-	-
As at 31 March 2020	**6,574,799**	**10,391,171**	**15,088,514**	**8,165,706**	**19,536,856**	**59,757,046**
Net Block :						
As at 31 March 2020	**5,673,099**	**7,207,776**	**92,358**	**7,609,246**	**7,825,015**	**28,407,494**
As at 31 March 2019	**7,710,955**	**8,695,883**	**600,564**	**6,285,497**	**8,925,476**	**32,218,375**

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4 Right of use assets *(Amount in Rs)*

Particulars	Right of use assets
Gross block	
As at 31 March 2019	-
Initial recognition pursuant to adoption of Ind AS 116 (refer note 19)	**53,504,416**
Additions during the year	-
Disposals for the year	-
As at 31 March 2020	**53,504,416**
Accumulated depreciation	
As at 31 March 2019	-
Additions during the year	17,894,547
Disposals for the year	-
As at 31 March 2020	**17,894,547**
Net Block	
As at 31 March 2020	**35,609,869**

5 Intangible Assets *(Amount in Rs)*

Particulars	Computer software
Gross block	
As at 31 March 2018	**5,905,508**
Additions during the year	613,975
Disposals for the year	-
As at 31 March 2019	**6,519,483**
Additions during the year	-
Disposals for the year	-
As at 31 March 2020	**6,519,483**
Accumulated Amortization and Impairment	
As at 31 March 2018	**1,662,727**
Amortisation for the year	2,622,492
Accumulated Amortization on deletions	-
As at 31 March 2019	**4,285,219**
Amortisation for the year	1,601,799
Accumulated Amortization on deletions	-
As at 31 March 2020	**5,887,018**
Net Block	
As at 31 March 2020	**632,465**
As at 31 March 2019	**2,234,264**

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6 Non-current loans

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Unsecured, considered good		
Security deposits paid for rental	2,03,00,277	38,99,142
	2,03,00,277	**38,99,142**

7 Deferred tax assets

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Deferred tax assets recognised on assets and liabilities are as follows:		
Deferred tax on assets		
Fixed assets	55,64,649	58,43,456
80JJAA Deduction	8,04,36,141	7,93,35,809
MAT Credit entitlement*	-	1,69,06,087
Deferred tax on loss allowance	7,64,09,560	2,09,39,618
Deferred tax on liabilities		
Deferred tax on lease liabilities, net of right of use assets	3,93,444	-
	16,28,03,794	**12,30,24,970**

*During the year ended 31 March 2020, the Company has decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from FY 2020. Accordingly, the Company has written off through the statement of profit and loss, accumulated MAT credit of INR 16,906,087.

8 Income tax assets (net)

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Advance income tax	21,51,69,887	17,60,29,608
	21,51,69,887	**17,60,29,608**

9 Inventories

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Valued at lower of cost and net realizable value		
Consumables	53,07,998	10,44,439
Stores and spares	7,97,479	12,87,513
	61,05,477	**23,31,952**

10 Trade receivables

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Unsecured		
Considered good	84,91,44,658	1,06,47,90,159
Considered doubtful	30,35,98,062	5,99,23,358
Less: Loss allowance	(30,35,98,062)	(5,99,23,358)
	84,91,44,658	**1,06,47,90,159**

Of the above, trade receivables from related parties are as below:

	31 March 2020	31 March 2019
Trade receivable from related parties (refer note 39)	2,66,74,176	10,54,53,092

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11 Cash and cash equivalents

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Cash and cash equivalents		
Cash on hand	22,004	23,711
Balances with banks		
In current accounts	4,73,52,658	3,71,95,380
	4,73,74,662	**3,72,19,091**

12 Other bank balances

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Deposit held as margin money (mature after 3 months from the reporting date)	2,33,10,136	1,55,62,637
	2,33,10,136	**1,55,62,637**

13 Current loans

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Unsecured, considered good		
Security deposits	-	1,40,44,030
	-	**1,40,44,030**

14 Unbilled Revenue

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Unbilled revenue*	27,29,89,016	17,69,71,389
	27,29,89,016	**17,69,71,389**

*includes unbilled revenue billable to related parties (refer note 39)

15 Other current financial assets

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Interest accrued but not due	16,33,789	4,34,309
	16,33,789	**4,34,309**

16 Other current assets

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Advances other than capital advances		
Advances to suppliers	93,55,458	1,76,89,291
Advances to employees	60,63,562	-
Other advances	13,24,035	13,24,035
Prepaid expenses	1,30,45,273	1,18,36,529
	2,97,88,328	**3,08,49,855**

17 Share capital

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Authorised		
10,00,000 equity shares of par value of Rs 10 each	1,00,00,000	1,00,00,000
	1,00,00,000	**1,00,00,000**
Issued, subscribed and paid-up		
5,00,000 equity shares of par value of Rs 10 each, fully paid up	50,00,000	50,00,000
	50,00,000	**50,00,000**

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	Particulars	31 March 2020	31 March 2019
	SHARE CAPITAL	**No. of Shares**	**No. of Shares**
A.	Authorised Share Capital		
	Equity Shares of Rs. 10/- each	10,00,000	10,00,000
B.	Issued, Subscribed and Paid up Capital		
	Equity Shares of Rs. 10/- each	5,00,000	5,00,000
	TOTAL	**5,00,000**	**5,00,000**
C.	Reconciliation of Paid up Share Capital		
	Opening Paid up Equity Share Capital	5,00,000	5,00,000
	Add : Shares issued during the year	-	-
	Less : Shares bought back during the year	-	-
	Closing Paid up Equity Share Capital	5,00,000	5,00,000

D. **List of Share holders having 5% or more Shares**

Name of shareholders	% of Holding	No. of Shares	Value
As at 31 March 2020			
Quess Corp Limited	49%	2,45,000	24,50,000
Heptagon Technologies Private Limited	25%	1,25,000	12,50,000
Terrier Employee Welfare Trust (EWT)	26%	1,30,000	13,00,000
As at 31 March 2019			
Quess Corp Limited	49%	2,45,000	24,50,000
Heptagon Technologies Private Limited	25%	1,25,000	12,50,000
Terrier Employee Welfare Trust (EWT)	26%	1,30,000	13,00,000

As per the records of the Company, including its register of members/ shareholders, the above shareholding represents both legal and beneficial ownership of the shares.

E. Terms / Rights attached to Equity Shares

1 The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

2 In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all preferential amounts. The distribution to the equity shareholders will be in proportion to the number of equity shares held by the shareholders.

18 Other equity*

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Retained earnings	22,94,07,521	37,80,03,893
Other reserves	22,00,000	22,00,000
Other comprehensive income	(4,15,00,843)	9,85,056
	19,01,06,678	**38,11,88,949**

* For detailed movement of reserves refer Statement of changes in Equity

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19 Lease liabilities

(Amount in Rs)

Particulars	**31 March 2020**	**31 March 2019**
Non-current lease liability	1,91,00,535	-
Current lease liability	1,80,72,604	-
Total	**3,71,73,139**	**-**

Transition effective 1 April 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the Right-of-use assets at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our financial statements for year ended 31 March 2019. On transition, the adoption of the new standard resulted in recognition of Right-of-use assets of INR 53,504,416 and a lease liability of INR 37,173,139. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the movement in lease liabilities

Particulars	**31 March 2020**
Operating lease recognised on adoption of Ind AS 116	5,35,04,416
Add: Finance cost accrued during the period	41,66,270
Less: Payment of lease obligation	(2,04,97,547)
Carrying amount as at 31 March 2020	**3,71,73,139**

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2020 on an undiscounted basis:

Particulars	**31 March 2020**
Less than one year	2,08,08,440
One to five years	2,03,56,640
More than five years	-

20 Non-current provisions

(Amount in Rs)

Particulars	**31 March 2020**	**31 March 2019**
Provision for employee benefit		
Provision for gratuity (refer note 40)	9,90,64,042	2,88,90,477
	9,90,64,042	**2,88,90,477**

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21 Current borrowings

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Secured		
Cash credit and overdraft facilities (refer note 35)*	15,97,75,525	2,81,87,877
Loan from related parties, unsecured		
From Quess Corp Limited (refer note 35)**	38,50,81,259	23,24,20,685
	54,48,56,784	**26,06,08,562**

* The Company has taken cash credit facility having interest rate at 3 months MCLR. The facility is repayable on demand and is secured by entire current assets of the Company on both present and future and collateral by way of exclusive charge on the entire movable assets of the Company (excluding charge on vehicles) both present and future of the Company.

** The company has availed short term loan from its holding company - Quess Corp Limited wherein the repayment date should not exceed 12 months from the date of disbursement. The interest rate is charged quarterly at 10% per annum. *(Refer note 39)*

22 Trade payables

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Trade payables to related parties (refer note 39)	3,76,30,468	32,30,37,196
Other trade payables	3,82,48,306	1,81,30,319
	7,58,78,774	**34,11,67,515**

23 Other current financial liabilities

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Current maturities of long-term borrowings	32,176	2,21,154
Other Payables		
Accrued salaries and benefits	40,98,86,761	32,80,35,783
Uniform deposits	6,79,25,454	4,46,66,685
Accrued Expense*	5,46,74,548	3,57,62,504
	53,25,18,939	**40,86,86,126**

The Company's exposure to currency and liquidity risk related to other current financial liabilities is disclosed in note

*Includes related party balances INR 24,725,608 (March 2019: Nil; refer note 39).

24 Current provisions

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Provision for employee benefits		
Provision for gratuity (refer note 40)	65,56,578	57,71,048
Provision for compensated absences (refer note 40)	1,68,76,488	1,34,66,530
Provision for bonus	7,63,72,540	7,94,36,471
	9,98,05,606	**9,86,74,049**

25 Other current liabilities

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Balances payable to government authorities	10,88,65,890	15,53,94,103
	10,88,65,890	**15,53,94,103**

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26 Revenue from operations

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Manned guarding services	4,98,62,99,795	4,16,58,69,345
Electronic surveillance solutions	5,81,05,097	6,83,02,982
Training and other services	5,82,33,899	4,20,94,940
Background verification fees	1,16,14,898	1,79,07,011
	5,11,42,53,689	**4,29,41,74,278**

(i) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers by business for each of our business segments for the year ended 31 March 2020 and 31 March 2019. The Company believes that this disagregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(ii) Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables'	84,91,44,658	1,06,47,90,159
Contract assets (Unbilled revenue)	27,29,89,016	17,69,71,389
Contract liabilities (Unearned revenue & advance received from custome	-	-

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2020 and 31 March 2019:

(Amount in Rs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning	17,69,71,389	2,94,77,583
Add : Revenue recognized during the year	5,11,42,53,689	4,29,41,74,278
Less : Invoiced during the year	5,01,82,36,062	4,14,66,80,472
Balance at the end	**27,29,89,016**	**17,69,71,389**

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for

(i) contracts with an original expected duration of one year or less and

(ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2020 and 31 March 2019, other than those meeting the exclusion criteria mentioned above, is Nil.

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27 Other income

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Interest income under the effective interest method on:		
Cash and cash equivalents	13,32,757	4,80,768
Interest income on present valuation of financial instruments	3,95,807	4,33,979
Interest on tax refunds	88,75,959	5,970
Profit on sale of property, plant and equipment and intangible assets	-	16,54,727
Miscellaneous income	7,65,719	1,05,57,798
	1,13,70,242	**1,31,33,242**

28 Cost of material and stores and spare parts consumed

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Inventory at the beginning of the year	23,31,952	58,27,207
Add: Purchases during the year	5,36,08,613	4,10,02,652
Less: Inventory at the end of the year	61,05,477	23,31,952
	4,98,35,088	**4,44,97,907**

29 Employee benefits expense

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Salaries and wages	4,19,22,09,159	3,43,32,66,000
Contribution to provident and other funds	45,97,05,835	40,05,79,882
Staff welfare expenses	4,96,01,145	4,35,95,133
	4,70,15,16,139	**3,87,74,41,015**

30 Finance costs

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Interest expense on financial liabilites measured at amortised cost	5,50,06,630	1,89,33,391
Other borrowing costs	12,39,599	12,44,724
Interest expense on lease liabilities	41,66,270	-
	6,04,12,499	**2,01,78,115**

31 Depreciation and amortisation expense

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Depreciation of property, plant and equipment (refer note 3)	1,51,71,665	2,15,28,755
Depreciation of rights-of-use-assets (refer note 4)	1,78,94,547	-
Amortisation of intangible assets (refer note 5)	16,01,799	26,22,492
	3,46,68,011	**2,41,51,247**

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32 Other expenses

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Sub-contractor charges	-	5,58,90,587
Recruitment and training expenses	2,37,43,947	2,64,17,497
Rent	1,38,72,562	1,71,05,706
Power and fuel	24,61,361	19,90,637
Repairs & Maintenance		
- Security & Housekeeping Charges	2,63,012	-
- Annual Maintenance Charges	12,12,440	-
- others	71,38,496	91,42,284
Legal and professional fees (refer note 32.1)	11,04,91,944	13,55,05,355
Rates and taxes	27,46,146	29,47,414
Printing and stationery	24,14,459	38,75,071
Travelling and conveyance	3,32,41,752	3,08,62,321
Communication expenses	51,75,641	52,27,081
Loss allowance	24,36,74,704	4,09,06,860
Equipment hire charges	5,77,679	1,50,000
Insurance	73,95,951	5,05,962
Bank charges	18,29,279	13,94,808
Bad debts written off	31,92,399	1,11,720
Business promotion and advertisement expenses	3,53,844	15,80,816
CSR contributions (refer note 32.2)	9,32,948	13,52,471
Deposits/ advances written-off	40,93,461	18,47,053
Miscellaneous expenses	27,55,365	8,31,665
	46,75,67,390	**33,76,45,308**

32.1 Payment to auditors (net of GST; included in legal and professional fees)

Particulars	31 March 2020	31 March 2019
Statutory audit fees	12,00,000	14,01,756
Limited review	5,00,000	-
Tax audit fees*	2,62,819	2,94,819
	19,62,819	**16,96,575**

*Paid to erstwhile auditors

32.2 Details of CSR expenditure

Particulars	31 March 2020	31 March 2019
a) Gross amount required to be spent by the Company during the year	9,32,948	13,52,471
b) Amount spent during the year		
i) Construction or acquisition of any asset	-	-
ii) On purpose other than i) above	9,32,948	13,52,471

Terrier Security Services (India) Pvt. Ltd. Bangalore

33 Taxes

A. Amount recognised in the statement of profit and loss account

(Amount in Rs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Current income tax:		
In respect of the current year	-	(93,06,086)
Deferred tax		
In respect of the current year	3,97,78,824	8,50,03,518
Income tax credit reported in the statement of profit and loss	**3,97,78,824**	**7,56,97,432**

B. Amounts recognised in other comprehensive income

No tax expense has been recognised directly in other comprehensive income

C. Amounts recognised directly in equity

No tax expense has been recognised directly in equity

D. Reconciliation of effective tax rate

(Amount in Rs)

Particulars	For the year ended			
	31 March 2020		31 March 2019	
(Loss) / Profit before tax		(18,83,75,196)		33,93,928
Computed expected tax expense	25.17%	4,74,10,269	34.94%	(11,85,974)
Effect of:				
Non deductible expense		9,32,948		13,52,471
80JJAA tax incentives		11,00,331		5,73,75,260
Adoption of new tax regime under section 115BAA on deferred tax including reversal of MAT credit entitlement*		(5,35,95,372)		-
Others		4,39,30,648		1,81,55,676
Income Tax expenses		**3,97,78,824**		**7,56,97,432**
Income tax credit/ (expense) reported in the statement of profit and loss		**3,97,78,824**		**7,56,97,432**

The tax rates under Indian Income Tax Act, for the year ended 31 March 2020 and 31 March 2019 is 25.17% and 34.94% respectively.

* During the year ended 31 March 2020, the Company have decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from FY 2020. Accordingly, the Company has written off through the statement of profit and loss, accumulated MAT credit of INR 16,906,087 and re-measured other accumulated net deferred tax assets based on the rate prescribed under Section 115BAA resulting in additional expense of INR 36,689,285 in the financial statements.

E. The following table provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Income tax assets	21,51,69,887	18,53,35,694
Income tax liabilities	-	(93,06,086)
Net income tax assets at the end of the year	**21,51,69,887**	**17,60,29,608**

F. Deferred tax assets, net

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax assets:		
Fixed assets	55,64,649	58,43,456
80JJAA Deduction	8,04,36,141	7,93,35,809
MAT Credit entitlement	-	1,69,06,087
Deferred tax on loss allowance	7,64,09,560	2,09,39,618
Deferred tax on liabilities		
Deferred tax on lease liabilities, net of right of use assets	3,93,444	-
	16,28,03,794	**12,30,24,970**

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Notes to the financial statements for the year ended 31 March 2020

33 Taxes (continued)

E. Recognised deferred tax assets and liabilities

Movement of deferred tax assets presented in the balance sheet

(Amount in Rs)

For the year ended 31 March 2020	Opening balance	Recognized in statement of profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:				
Fixed assets	58,43,456	(2,78,807)	-	55,64,649
80JJAA Deduction	7,93,35,809	11,00,332	-	8,04,36,141
MAT credit entitlement	1,69,06,087	(1,69,06,087)	-	-
Deferred tax on loss allowance	2,09,39,618	5,54,69,942	-	7,64,09,560
Deferred tax on liabilities				
Deferred tax on lease liabilities, net of right of use assets	-	3,93,444		3,93,444
	12,30,24,970	**3,97,78,824**	**-**	**16,28,03,794**

(Amount in Rs)

For the year ended 31 March 2019	Opening balance	Recognized in statement of profit or loss	Recognized in OCI	Closing balance
Deferred tax assets:				
Fixed assets	22,09,242	36,34,214	-	58,43,456
80JJAA Deduction	2,19,60,549	5,73,75,260	-	7,93,35,809
MAT credit entitlement	76,00,000	93,06,087	-	1,69,06,087
Deferred tax on loss allowance	62,51,661	1,46,87,957	-	2,09,39,618
Deferred tax on liabilities				
Deferred tax on lease liabilities, net of right of use assets	-			
	3,80,21,452	**8,50,03,518**	**-**	**12,30,24,970**

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34 Financial instruments-fair value and risk management
Accounting classification and fair values

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:
a) recognised and measured at fair value
b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

As at 31 March 2020

Particulars	Carrying value	Fair value		
Financial assets	**31 March 2020**	**Level 1**	**Level 2**	**Level 3**
Amortised cost				
Trade and other receivables	84,91,44,658	-	-	-
Cash and cash equivalents	4,73,74,662	-	-	-
Other bank balances	2,33,10,136	-	-	-
Loans	2,03,00,277	-	-	-
Unbilled revenue	27,29,89,016			
Other financial assets	16,33,789	-	-	-
Total financial assets	**1,21,47,52,538**	-	-	-
Financial liabilities				
Amortised cost				
Lease liabilities	1,91,00,535	-	-	-
Trade and other payables	7,58,78,774	-	-	-
Borrowings	54,48,56,784	-	-	-
Other financial liabilities	53,25,18,939	-	-	-
Total financial liabilities	**1,17,23,55,032**	-	-	-

As at 31 March 2019

Particulars	Carrying value	Fair value		
Financial assets	**31 March 2019**	**Level 1**	**Level 2**	**Level 3**
Amortised cost				
Trade and other receivables	1,06,47,90,159	-	-	-
Cash and cash equivalents	3,72,19,091	-	-	-
Other bank balances	1,55,62,637	-	-	-
Loans	1,79,43,172	-	-	-
Unbilled revenue	17,69,71,389			
Other financial assets	4,34,309	-	-	-
Total financial assets	**1,31,29,20,757**	-	-	-
Financial liabilities				
Amortised cost				
Lease liabilities	-			
Trade and other payables	34,11,67,515	-	-	-
Borrowings	26,06,08,562	-	-	-
Other financial liabilities	40,86,86,126	-	-	-
Total financial liabilities	**1,01,04,62,203**	-	-	-

*Current maturities of long term borrowings forms part of financial liabilities

Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference shares included in level 3.

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34 Financial instruments-fair value and risk management

Fair valuation method

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

A Financial Assets:

The Company has not disclosed the fair values for loans, trade receivables, cash and cash equivalents including other bank balances, unbilled revenue and other financial assets because their carrying amounts are a reasonable approximation of their fair value.

B Financial Liabilities:

1 **Borrowings:** It includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the loan is reset on a monthly/quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

2 **Trade payables and other liabilities:** Fair values of trade payables and other financial liabilities are measured at carrying value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the carrying values.

3 **Financial liability:** The fair value of financial liability has been determined by discounting consideration payable on commitment to sell at a effective interest rate.

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Notes to the financial statements for the year ended 31 March 2020

35 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

The Company's exposure to credit risk is influenced mainly by its customer. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for customers as at 31 March 2020 and 31 March 2019 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers.

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 360 days past due. Loss rates are based on actual credit loss experience over the last six quarters.

These rates have been adjusted to reflect the management's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:

As at 31 March 2020 *(Amount in Rs)*

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is	Carrying amount of trade
Not due	448,969,265	2.1%	9,252,052	No	439,717,213
Past due 1–90 days	352,974,220	12.5%	44,220,876	No	308,753,344
Past due 91–180 days	107,285,942	32.9%	35,347,195	No	71,938,747
Past due 181–270 days	61,451,929	53.2%	32,716,575	No	28,735,354
Past due 271–360 days	46,670,287	100.0%	46,670,287	Yes	-
Above 360 days	135,391,077	100.0%	135,391,077	Yes	-
	1,152,742,720		**303,598,062**	-	**849,144,658**

As at 31 March 2019 *(Amount in Rs)*

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is	Carrying amount of trade
Not due	583,108,524	0.6%	3,444,320	No	579,664,204
Past due 1–90 days	429,050,873	5.5%	23,809,555	No	405,241,318
Past due 91–180 days	70,426,791	17.0%	11,966,423	No	58,460,368
Past due 181–270 days	33,517,282	37.7%	12,626,126	No	20,891,156
Past due 271–360 days	2,186,243	75.6%	1,653,130	No	533,113
Above 360 days	6,423,804	100.0%	6,423,804	Yes	-
	1,124,713,517		**59,923,358**	-	**1,064,790,159**

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35 Financial risk management (continued)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Balance as at the beginning of the year	59,923,358	19,016,498
Impairment loss recognised	243,674,704	40,906,860
Less: Amounts written off	-	-
Balance as at the end of the year	**303,598,062**	**59,923,358**

ii) Liquidity risk

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

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

i) Financing arrangement

The Company maintains the following line of credit:

The Company has taken cash credit facilities having interest rate of 3 months MCLR. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the current assets of the Company on both present and future and collateral by way of pari passu first charge on the movable assets of the Company (excluding charge on vehicles/equipments purchased /to be purchased under lease agreements/ hire purchase agreements) both present and future of the Company.

The company has availed short term loan from its holding company - Quess Corp Limited wherein the repayment date should not exceed 12 months from the date of disbursement. The interest rate is charged quarterly at 10% per annum. The amount of borrowings outstanding for more than 12 months is being renewed and such renewal is considered to be short term as per the terms of the agreement (Refer note 39).

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2020 *(Amount in Rs)*

Particulars	Contractual cash flow				
	Carrying amount	Less than 1 year	1-2 years	2-5 years	5 years and above
Borrowings	544,856,784	544,856,784	-	-	-
Trade payables	75,878,774	75,878,774	-	-	-
Other financial liabilities	532,518,939	532,518,939	-	-	-

As at 31 March 2019 *(Amount in Rs)*

Particulars	Contractual cash flow				
	Carrying amount	Less than 1 year	1-2 years	2-5 years	5 years and above
Borrowings	260,608,562	260,608,562	-	-	-
Trade payables	341,167,515	341,167,515	-	-	-
Other financial liabilities	408,686,126	408,686,126	-	-	-

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35 Financial risk management (continued)

iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is not exposed to significant currency risk as the revenue and expenses are denominated only in INR.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowing comprises of cash credit facility and borrowings from holding company. Borrowings from holding company carries fixed rate of interest, which do not expose it to interest rate risk.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:-

(Amount in Rs)

Particulars	31 March 2020		31 March 2019	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Variable rate borrowings	(1,195,632)	1,195,632	(183,379)	183,379

36 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing, current borrowing,
Net debt (total liabilities net of cash and cash equivalent)
divided by
The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio were as follows:

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Gross debt	582,062,099	260,829,716
Less: Cash and cash equivalent	47,374,662	37,219,091
Adjusted net debt (total borrowings net of cash and cash equivalent)	**534,687,437**	**223,610,625**
Total equity	195,106,678	386,188,949
Net debt (Total external liabilities) to equity ratio	**2.74**	**0.58**

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37 Contingent liabilities and commitment

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Bank Guarantees issued against performance of	5,36,48,830	1,90,63,505
Capital commitments	-	-
Indirect Tax		
Claims against company not acknowledged as debts	-	77,17,420
	5,36,48,830	**2,67,80,925**

38 Earnings per share

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Nominal value of equity shares (Rs per share)	10	10
Net (loss)/ profit after tax for the purpose of earnings per share (Rs)	(14,85,96,372)	7,90,91,360
shares used in computing basic	5,00,000	5,00,000
Basic earnings per share (Rs)	**(297.19)**	**158.18**
shares used in computing	5,00,000	5,00,000
Diluted earnings per share (Rs)	**(297.19)**	**158.18**

39 Related party disclosures

(i) Name of related parties and description of relationship:

- Entity having common directors	Quess Corp Limited Conneqt Business Solutions Limited Golden Star Facilities and Services Private Limited Syzygy Consultants Private Limited Resolve Business Services (India) Private Limited Quess Corp (Lanka) Private Limited Quess global (Malaysia) Sdn Bhd Dependo Logistics Solutions Private Limited Vedang Cellular Services Private Limited Simpliance Technologies Private Limited Heptagon Technologies Pvt Ltd Trimax Smart Infraprojects Private Limited Greenpiece Landscapes India Private Limited Qdigi Services Limited Allsec Technologies Limited (wef 3 Jun 2019) MFX Infotech Private Limited Monster.com (India) Private Limited Simpliance Technologies Private Limited Excelus Learning Solutions Private Limited
- Having significant interest in the Company	Quess Corp Ltd Heptagon Technologies Pvt Ltd Terrier Employee Welfare Trust (EWT)
-Subsidiaries of Quess Corp Ltd*	MFX Infotech Private Limited Brainhunter Systems Ltd. Mindwire Systems Limited Quess (Philippines) Corp. Quess Corp (USA) Inc. Quesscorp Holdings Pte. Ltd. Quess Corp Vietnam LLC Quessglobal (Malaysia) SDN. BHD. Quess Corp Lanka (Private) Limited Comtel Solutions Pte. Ltd. MFXchange Holdings, Inc. MFXchange US, Inc. MFX Chile SpA Dependo Logistics Solutions Private Limited CentreQ Business Services Private Limited Excelus Learning Solutions Private Limited Conneqt Business Solution Limited Vedang Cellular Services Private Limited Master Staffing Solutions Private Limited1

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39 Related party disclosures (continued)

(i) Name of related parties and description of relationship:

-Subsidiaries of Quess Corp Ltd*	Golden Star Facilities and Services Private Limited Comtelpro Pte. Limited. Comtelink Sdn. Bhd Monster.com (India) Private Limited Monster.com.SG PTE Limited Monster.com HK Limited Inticore VJP Advanced Systems Private Limited (upto 28 Aug 2018) Agensi Pekerjaan Monster Malaysia SDN. BHD. Quesscorp Management Consultancies Quesscorp Manpower Supply Services LLC Qdigi Services Limited Greenpiece Landscapes India Private Limited Simpliance Technologies Private Limited Allsec Technologies Limited Allsectech Inc., USA Allsectech Manila Inc., Philippiness Retreat Capital Management Inc., USA Trimax Smart Infraprojects Private Limited Quess Corp Services Limited Brainhunter Companies LLC, USA

*The Board of Directors of the Quess Corp Limited at its meeting held on 25 October 2018, approved the Scheme of Amalgamation ("Scheme") among Quess Corp Limited ("Transferee Company") with four of its wholly owned subsidiaries viz. Aravon Services Private Limited ("ASPL"), CentreQ Business Services Private Limited ("CBSP"), Coachieve Solutions Private Limited ("COAL"), and Master Staffing Solutions Private Limited ("MSSP") together known as ("Transferor Companies") and their respective shareholders and creditors. Upon the Scheme becoming effective the Transferor Companies stands dissolved, all the assets and liabilities of the transferor companies will be recorded at the carrying values in the financial statements of Quess Corp Limited. The Scheme upon approval by the Administration and Investment committee has been filed with NSE and BSE on 27 March 2019. During the quarter ended 31 December 2019, the Company has obtained the approval from Ministry of Corporate Affairs ("MCA") dated 15 November 2019. The appointed date of the Scheme is 1 April 2019 which is the effective date of the merger approved by MCA. Accordingly, the related party balances due to the merged entities for the current year and the previous year has been restated.

*During the previous year ended 31 March 2019, Quess Corp Limted had entered into a Composite Scheme of Arrangement and Amalgamation ("the Scheme") with Thomas Cook India Limited ("TCIL"), Travel Corporation (India) Limited, TC Travel and Services Limited, TC Forex Services Limited and SOTC Travel Management Private Limited and their respective shareholders and creditors, wherein TCIL will demerge its Human Resource Services business (including investment in shares of Quess Corp Limited) into Quess Corp Limted on a going concern basis. The Board of Directors of Quess Corp Limted vide its meeting dated 23 April 2018 approved the draft Scheme. Subsequently, the Administration and Investment Committee duly empowered by the Board approved amendment in the share entitlement ratio in the draft Scheme vide its meeting dated 19 December 2018 and filed the Scheme with BSE and NSE. During the quarter ended 31 December 2019, Quess Corp Limted had obtained the approval from the National Company Law Tribunal ("NCLT") dated 7 November 2019. The appointed date of the Scheme is 1 April 2019 which is the effective date of the demerger approved by NCLT. Accordingly, TCIL is not a related party to the Company effective from 1 April 2019.

-Associates of Quess Corp Ltd	Heptagon Technologies Pvt Ltd Quess Recruit Inc Quess East Bengal FC Private Limited Agency Pekerjaan Quess Recruit Sdn Bhd.
-Joint Ventures of Quess Corp Limited	Himmer Industrial Services (M) Sdn Bhd
-Fellow subsidiary of Quess Corp Limited	National Collateral Management Services Limited
Key executive management personnel	
Darshan Singh Bal (upto 28 Feb 2020)	Managing Director

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39 Related party disclosures (continued)

(ii) Related party transactions during the year

(Amount in Rs)

Particulars		31 March 2020	31 March 2019
Revenue from operations			
- Services (Man Guard Services)			
	Quess Corp Ltd	10,25,46,725	4,96,57,124
	Allsec Technologies Limited	1,10,14,877	-
	Dependo Logistics Solutions Private Limited	55,33,317	47,92,562
	Excelus Learning Solutions Pvt Ltd	38,43,415	1,01,98,249
	Golden Star Facilities and Services Pvt Ltd	3,50,88,776	1,76,85,422
	MFX Infotech Private Limited	10,09,919	11,92,959
	Comtel Solutions PTE Ltd	4,98,000	-
	Inticore VJP Advanced Systems Private Limited	-	95,906
	Thomas Cook (I) Ltd	-	4,80,81,197
	Vedang Cellular Services Private Limited	74,160	-
	ConnectQ Business Services Private Limited	7,81,44,763	4,47,84,410
	Monster.com (India) Pvt Ltd	28,16,416	44,51,214
	Qdigi Services Limited (formerly known as: HCL Computing Products Limited)	1,32,02,205	1,61,70,856
	Total	**25,37,72,573**	**19,71,09,899**
- Sale of Electronic Surveillance Goods	Quess Corp Ltd	27,53,670	70,87,833
	MFX Infotech Private Limited	6,27,592	-
	Monster.com (India) Pvt Ltd	33,220	-
	Limited	1,81,202	-
	Total	**35,95,684**	**70,87,833**
- Services (Back Ground Verification)	Quess Corp Ltd	42,06,000	-
		42,06,000	**-**
- Receiving of services			
	Quess Corp Ltd	10,99,21,888	12,09,44,000
	Monster.com (India) Pvt Ltd	22,800	-
	Simpliance Technologies Private Limited	2,31,120	-
	Heptagon Technologies Pvt Ltd	7,26,008	-
	Total	**11,09,01,816**	**12,09,44,000**
-Loans taken from related parties	Quess Corp Ltd	66,57,41,935	22,50,00,000
	Total	**66,57,41,935**	**22,50,00,000**
-Loans repaid to related parties	Quess Corp Ltd	55,60,00,000	-
	Total	**55,60,00,000**	**-**
- Interest expenses	Quess Corp Ltd	4,40,46,729	82,45,205
	Total	**4,40,46,729**	**82,45,205**
- Remuneration	Lt. Col. Darshan Singh Bal	54,42,844	60,00,000
	Total	**54,42,844**	**60,00,000**

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Terrier Security Services (India) Private Limited
Notes to the financial statements for the year ended 31 March 2020

39 Related party disclosures (continued)

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in Rs)

Particulars		31 March 2020	31 March 2019
Trade receivables	Quess Corp Ltd	-	5,18,53,681
	Allsec Technologies Limited	25,34,738	-
	Dependo Logistics Solutions Pvt Ltd	7,20,005	30,85,401
	Excelus Learning Solutions Pvt Ltd	16,46,997	19,47,229
	Inticore VJP Advanced Systems Private Limited	-	1,95,801
	Golden Star Facilities and Services Pvt Ltd	59,48,970	74,07,662
	MFX Infotech Private Limited	6,90,344	16,31,338
	Thomas Cook (I) Ltd	-	1,54,97,548
	ConnectQ Business Services Private Limited	1,30,31,513	1,19,65,070
	Monster.com (India) Pvt Ltd	1,47,385	23,12,388
	Comtel Solutions PTE Ltd	5,23,920	-
	Vedang Cellular Services Private Limited	70,800	-
	Qdigi Services Limited (formerly known as: HCL Computing Products Limited)	13,59,504	95,56,974
	Total	**2,66,74,176**	**10,54,53,092**
Unbilled Revenue	Quess Corp Ltd	74,08,279	-
	Dependo Logistics Solutions Private Limited	4,43,498	-
	Golden Star Facilities and Services Pvt Ltd	24,73,002	-
	MFX Infotech Private Limited	71,060	-
	Comtel Solutions PTE Ltd	54,000	-
	Vedang Cellular Services Private Limited	14,160	
	ConnectQ Business Services Private Limited	51,99,216	-
	Monster.com (India) Pvt Ltd	1,59,102	-
	Qdigi Services Limited (formerly known as: HCL	6,24,662	-
	Total	**1,64,46,979**	**-**
Trade payables	Quess Corp Ltd	3,79,98,976	32,30,37,196
	Heptagon Technologies Pvt Ltd	(3,68,508)	-
	Total	**3,76,30,468**	**32,30,37,196**
Borrowings	Quess Corp Ltd	34,21,62,620	23,24,20,685
	Total	**34,21,62,620**	**23,24,20,685**
Interest accrued on borrowings	Quess Corp Ltd	4,29,18,638	74,20,685
	Total	**4,29,18,638**	**74,20,685**
Accrued expenses			
	Quess Corp Ltd	2,38,80,000	-
	Monster.com (India) Pvt Ltd	22,800	-
	Heptagon Technologies Pvt Ltd	7,26,008	-
	Simpliance Technologies Private Limited	96,800	-
	Total	**2,47,25,608**	**-**

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40 Assets and liabilities relating to employee benefits

The following table sets out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at 31 March 2020 and 31 March 2019:

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Net defined benefit liability, gratuity plan	10,56,20,620	3,46,61,525
Liability for compensated absences	1,68,76,488	1,34,66,530
Total employee benefit liability	**12,24,97,108**	**4,81,28,055**

Reconciliation of net defined benefit liability/ asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its components:

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Change in defined benefit obligation		
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	11,37,34,554	10,33,84,594
Current service cost	2,59,95,456	2,87,28,385
Interest cost	82,22,723	77,30,625
Benefit settled	(2,88,92,110)	(3,01,03,312)
Actuarial (gains)/ losses recognised in other comprehensive income		
Actuarial (gain) / loss- Experience	1,40,28,560	1,38,62,272
Actuarial (gain) / loss- demographic assumptions	(1,73,678)	(1,42,80,213)
Actuarial (gain) / loss- financial assumptions	2,69,79,632	44,12,203
Obligation at end of the year	**15,98,95,137**	**11,37,34,554**
Reconciliation of present value of plan assets		
Plan assets at beginning of the year, at fair value	7,90,73,029	7,25,98,662
Interest income on plan assets	57,44,983	54,41,036
Re-measurement- actuarial gain/(loss)	-	-
Return on plan assets greater/(lesser) than discount rate	(16,51,385)	11,36,643
Contributions	-	3,00,00,000
Benefits settled	(2,88,92,110)	(3,01,03,312)
Plans assets at end of year, at fair value	**5,42,74,517**	**7,90,73,029**
Net defined benefit liability	**(10,56,20,620)**	**(3,46,61,525)**

Reconciliation of present value of the obligation and the fair value of the plan assets

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Fair value of plan assets at the end of the year	5,42,74,517	7,90,73,029
Present value of the defined benefit obligations at the end of the year	15,98,95,137	11,37,34,554
Liability recognised in the balance sheet	**10,56,20,620**	**3,46,61,525**
Current	65,56,578	57,71,048
Non-current	9,90,64,042	2,88,90,477

Expense recognised in statement of profit or loss

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Current service cost	2,59,95,456	2,87,28,385
Interest cost, net	24,77,740	22,89,589
Re-measurement- actuarial gain/(loss) recognised on OCI	4,24,85,899	28,57,619
Net gratuity cost	**7,09,59,095**	**3,38,75,593**

Remeasurement recognised in other comprehensive income

(Amount in Rs)

Particulars	31 March 2020	31 March 2019
Remeasurement of the net defined benefit liability	4,08,34,514	39,94,262
Remeasurement of the net defined benefit asset	16,51,385	(11,36,643)
	4,24,85,899	**28,57,619**

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40 Assets and liabilities relating to employee benefits (continued)

Plan assets

(Amount in Rs)

Particulars	**31 March 2020**	**31 March 2019**
Funds managed by insurer	5,42,74,517	7,90,73,029
	5,42,74,517	**7,90,73,029**

Defined benefit obligation - Actuarial Assumptions

Particulars	**Associate employees**	
	For the year ended 31 March 2020	**For the year ended 31 March 2019**
Discount rate	5.40%- 5.95%	6.70%- 7.25%
Salary increase	4%- 7.5%	4%- 7.5%
Attrition rate > 5 year	2%- 30%	2%- 30%
Attrition rate < 5 year	30%- 70%	30%- 70%
Retirement age	65 Years	65 Years

The Company expects to contribute Rs.126,695,075/- to its defined benefit plans during the next fiscal year
As at 31 March 2020 and 31 March 2019, 100% of the plan assets were invested in insurer managed funds

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Core Employees

(Amount in Rs)

Particulars	**As at 31 March 2020**		**As at 31 March 2019**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	77,32,221	83,40,970	71,03,711	76,32,021
Future salary growth(1% movement)	83,31,639	77,35,154	76,27,344	71,03,247
Attrition rate (1% movement)	70,60,195	97,59,958	65,78,604	85,90,773

Associate Employees

Particulars	**As at 31 March 2020**		**As at 31 March 2019**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	13,06,90,018	17,84,66,447	9,27,81,028	12,32,17,948
Future salary growth(1% movement)	17,87,36,797	13,01,49,433	12,36,21,297	9,22,78,211
Attrition rate (1% movement)	14,58,79,069	16,95,65,840	10,32,96,286	11,36,41,611

41 Expenditure in foreign currency

There has been no expenditure in foreign currency.

Terrier Security Services (India) Pvt. Ltd.
Bangalore

42 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2020 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

43 COVID 19 Impact

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material changes to future economic conditions.

44 The Company evaluated subsequent events,based on this evaluation, the Company is not aware of any other event or transaction that would require recognition or disclosure in the financial statements.

The notes referred to above form an integral part of the financial statements

for and on behalf of Board of Directors of
Terrier Security Services (India) Private Limited

Subramanian Ramakrishnan
Director
DIN : 03522114

Guruprasad Srinivasan
Director
DIN:07596207

Place: Bengaluru
Date: 11 May 2020

INDEPENDENT AUDITOR'S REPORT

To,
The Members
Heptagon Technologies Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report.

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.

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Jupiter-2, #190, 5th Cross, 3rd Main, MICO Layout
BTM 2nd Stage, Bangalore - 560076, INDIA.

Tel : +91 80 6816 4000
Fax : +91 80 6816 4001

Email : Info@vscaglobal.com
web : www.vscaglobal.com

Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 standalone 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

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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 standalone financial statements, including the disclosures, and whether the standalone 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

2) As required by Section 143 (3) of the Act, we report that;
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   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 standalone financial statements comply with the Indian Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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"; and

   g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

      i. the Company does not have any pending litigations and accordingly there is no impact on its financial position;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 30th April 2020
UDIN: 20205703AAAAAW1268

ANNEXURE - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Heptagon Technologies Private Limited of even date)

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

b. The company has a regular program of physical verification of its fixed assets by which on rotational basis, fixed assets are verified annually. In our opinion, the periodicity is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification;

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties as at March 31, 2020;

ii. The Company's operation does not involve inventory. Consequently, comment on clause (ii) of the order is not applicable;

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Consequently, comment on clause (iii) of the order is not applicable;

iv. The company has not given any loans or guarantees. In our opinion and according to the information and explanations given to us, for the Investment made, the Company has complied with the provisions of Section 185 and 186 of the Act.

v. The Company has not accepted any deposits from the public. Consequently, comment on clause (v) of the order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Consequently, comment on clause (vi) of the order is not applicable;

vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing material undisputed statutory dues including provident fund, employee state insurance, income-tax, goods and service tax, cess and other statutory dues, during the year with the appropriate authorities. As explained to us, the Company did not have any undisputed amounts outstanding as at last day of the financial year for a period of more than six months from the date they became payable,

b. According to the information and explanations given to us, there are no dues of provident fund, employee state insurance, income-tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute

viii. According to the information and explanations given to us, the company has not defaulted in repayment of loan from financial institutions or banks.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Consequently, comment on clause (ix) of the Order is not applicable;

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;

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xi. In our opinion and according to the information and explanations given to us the provisions of section 197 are not applicable to a private company. Accordingly, paragraph 3(xi) of the order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Consequently, comment on clause (xii) of the Order is not applicable;

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards;

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Consequently, comment on clause (xiv) of the Order is not applicable;

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Consequently, comment on clause (xv) of the Order is not applicable;

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Consequently, comment on clause (xvi) of the Order is not applicable.

for **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 30th April 2020
UDIN: 20205703AAAAAW1268

ANNEXURE -B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Heptagon Technologies Private Limited of even date)

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 **Heptagon Technologies Private Limited** ("the Company") as of **March 31, 2020** in conjunction with our audit of the standalone Ind AS 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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[1] 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 standalone 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

[1] Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

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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 March 31, 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 **Vasan & Sampath LLP**
Chartered Accountants
Firm Registration Number: 004542S/S200070

VASAN & SAMPATH LLP
BANGALORE
INDIA
CHARTERED ACCOUNTANTS

Unnikrishnan Menon
Partner
Membership No. 205703

Place: Bengaluru
Date: 30th April 2020
UDIN: 20205703AAAAAW1268

Heptagon Technologies Private Limited

(formerly known as Helpr Infotech India Private Limited)

(Amount in INR)

Balance Sheet	**Note**	**31 Mar 2020**	**31 Mar 2019**
ASSETS			
Non-Current assets			
Property, Plant and Equipment	3	1,56,45,352	29,17,749
Intangible assets	4	1,59,98,724	46,788
Intangible assets under development	4	91,47,578	1,81,31,960
Financial assets			
(i) Non- Current Investments	5	64,50,00,000	68,27,27,692
(ii) Non-Current loans	6	7,87,722	17,46,654
Income tax assets (net)	7	1,24,81,922	68,23,710
Other Non-Current assets	8	3,10,836	2,38,680
Total Non-Current assets		**69,93,72,134**	**71,26,33,233**
Current assets			
Financial assets			
(i) Current Investments	9	71,69,36,886	71,74,29,636
(ii) Trade receivables	10	1,43,18,507	1,12,52,031
(iii) Cash and cash equivalents	11	39,99,074	47,29,327
(iv) Bank balances other than cash and cash equivalents above	12	-	75,00,000
(v) Current loans	13	2,78,536	13,21,761
(vi) Unbilled revenue	14	59,47,149	30,55,896
(vii) Other Current financial assets	15	27,18,346	26,69,966
Other Current assets	16	9,04,202	58,58,696
Total Current assets		**74,51,02,700**	**75,38,17,313**
Total Assets		**1,44,44,74,834**	**1,46,64,50,546**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	2,77,780	2,77,780
Other equity	18	(21,97,37,867)	(4,33,19,231)
Total equity		**(21,94,60,087)**	**(4,30,41,451)**
Liabilities			
Non-Current liabilities			
Financial liabilities			
(i) Non-Current borrowings	19	65,00,00,001	64,91,03,993
(ii) Other Non-Current financial liabilities	20	97,58,696	-
Non-Current provisions	21	43,39,852	20,72,724
Total Non-Current liabilities		**66,40,98,549**	**65,11,76,717**
Current liabilities			
Financial liabilities			
(i) Current borrowings	23	88,76,74,276	77,60,16,128
(ii) Trade payables	24	5,09,951	16,09,247
(iii) Other Current financial liabilities	25	9,81,81,486	7,10,65,110
Current provisions	26	1,91,984	1,34,522
Other Current Liabilities	27	1,32,78,675	94,90,272
Total Current Liabilities		**99,98,36,372**	**85,83,15,280**
Total Liabilities		**1,66,39,34,921**	**1,50,94,91,997**
Total Equity and Liabilities		**1,44,44,74,834**	**1,46,64,50,546**
Company overview and Significant accounting policies	**1 & 2**		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No.: 004542S/ S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 30th April 2020

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 30th April 2020

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Coimbatore
Date: 30th April 2020

Heptagon Technologies Coimbatore Limited

Heptagon Technologies Private Limited

(formerly known as Helpr Infotech India Private Limited)

Statement of Profit and Loss	Note	For the Year ended 31 Mar 2020	31 Mar 2019
			(Amount in INR)
Income			
Revenue from operations	28	6,38,29,763	5,29,75,679
Other income	29	2,93,58,757	2,95,65,178
Total income		**9,31,88,520**	**8,25,40,857**
Expenses			
Employee benefit expenses	30	6,58,37,761	3,13,53,962
Finance costs	31	14,62,61,675	12,24,93,435
Depreciation and amortisation expenses	32	48,49,483	5,99,126
Other expenses	33	1,48,13,051	1,53,30,136
Total expenses		**23,17,61,970**	**16,97,76,658**
Loss before tax		**(13,85,73,450)**	**(8,72,35,802)**
Tax expense	34	-	-
Total tax expenses		-	-
Loss for the year		**(13,85,73,450)**	**(8,72,35,802)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(1,17,494)	(3,50,291)
Other comprehensive income / (loss) for the period		(3,77,27,692)	3,77,27,692
Total other comprehensive income / (loss), net of tax		**(3,78,45,186)**	**3,73,77,401**
Total comprehensive income / (loss) for the year		**(17,64,18,636)**	**(4,98,58,400)**
Company overview and Significant accounting policies	**1 & 2**		
Earnings per equity share (face value of Rs 10 each)			
Basic	42	(4,989)	(3,140)
Diluted		(4,989)	(3,140)

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No.: 004542S/ S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 30th April 2020

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited

Heptagon Technologies Private Limited Coimbatore

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 30th April 2020

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Coimbatore
Date: 30th April 2020

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Heptagon Technologies Private Limited
(formerly known as Helpr Infotech India Private Limited)

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

(Amount in INR)

Particulars	Share Capital	Other equity			Total Equity attributable to Equity holders of the Company
		Reserves and Surplus		Other Comprehensive Income	
		Securities Premium	Retained Earnings	Remeasurement of the net defined benefit liability/ (asset)	
Balance as at April 1, 2018	**2,77,780**	**9,75,72,169**	**(9,10,33,000)**	-	**68,16,949**
Add: Loss for the year	-	-	(8,72,35,802)	-	(8,72,35,802)
Add: Other comprehensive income for the year	-	-	-	-	-
Remeasurement gain/ (loss) on defined benefit plan	-	-	-	(3,50,291)	(3,50,291)
Other comprehensive income / (loss) for the period	-	-	-	3,77,27,692	3,77,27,692
Balance as at March 31, 2019	**2,77,780**	**9,75,72,169**	**(17,82,68,802)**	**3,73,77,401**	**(4,30,41,451)**

Particulars	Share Capital	Securities Premium	Retained Earnings	Remeasurement of the net defined benefit liability/ (asset)	Total Equity attributable to Equity holders of the Company
Balance as at April 1, 2019	**2,77,780**	**9,75,72,169**	**(17,82,68,802)**	**3,73,77,401**	**(4,30,41,451)**
Add: Loss for the year		-	(13,85,73,450)	-	(13,85,73,450)
Add: Other comprehensive income for the year		-	-	-	-
Remeasurement gain/ (loss) on defined benefit plan		-	-	(1,17,494)	(1,17,494)
Other comprehensive income / (loss) for the period	-	-	-	(3,77,27,692)	(3,77,27,692)
Balance as at March 31, 2020	**2,77,780**	**9,75,72,169**	**(31,68,42,251)**	**(4,67,785)**	**(21,94,60,087)**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No.: 004542S/ S200070

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Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 30th April 2020

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 30th April 2020

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Coimbatore
Date: 30th April 2020

Heptagon Technologies Private Limited Coimbatore

Heptagon Technologies Private Limited
(formerly known as Helpr Infotech India Private Limited)

(Amount in INR)

Statement of Cash Flows	For the year ended	
	31 Mar 2020	31 Mar 2019
Cash flows from operating activities		
Profit after tax	(13,85,73,450)	(8,72,35,802)
Adjustments for:		
Depreciation and amortisation	48,49,483	5,99,126
Dividend on mutual fund units	(2,95,32,070)	(3,17,31,921)
Loss/(Profit) on sale of property, plant and equipment, net	4,062	-
Deposits written off	48,317	-
Provision for bad and doubtful debts, net	25,000	-
Interest income on term deposits	(1,59,324)	(2,13,336)
Interest income on present valuation of financial instruments	(1,60,112)	(1,61,076)
Loss on change in NAV of mutual funds	4,92,749	25,70,364
Finance costs	14,62,61,675	12,24,93,435
Operating cash flows before working capital changes	**(1,67,43,670)**	**63,20,791**
Changes in inventories, trade receivables and unbilled revenue	(59,82,729)	(1,35,44,319)
Changes in loans, other financial assets and other assets	69,47,910	(16,17,716)
Changes in trade payables and other financial liabilities	(6,00,04,369)	29,12,959
Changes in other liabilities and provisions	40,02,555	4,40,89,292
Cash generated from operations	**(7,17,80,303)**	**3,81,61,006**
Income taxes paid, net of refund	(56,58,212)	-
Net cash provided by/ (used in) operating activities (A)	**(7,74,38,515)**	**3,81,61,006**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(1,17,90,507)	(2,06,55,308)
Investment in equity instruments	-	(68,27,27,692)
Investments in mutual fund units	-	(72,00,00,000)
Bank deposits (having original maturity of more than three months)	75,00,000	(75,00,000)
Interest income on term deposits	1,59,324	2,13,336
Dividend income	2,95,32,070	2,90,88,667
Net cash used in investing activities (B)	**2,54,00,887**	**(1,40,15,80,997)**
Cash flows from financing activities		
Proceeds from borrowings	-	64,91,03,993
Lease Liability Paid	(10,06,554)	-
Loans from related parties	11,16,58,148	77,52,02,853
Interest paid	(5,93,44,219)	(5,96,53,290)
Net cash provided by financing activities (C)	**5,13,07,375**	**1,36,46,53,556**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(7,30,253)	12,33,565
Cash and cash equivalents at the beginning of the period	47,29,327	34,95,762
Cash and cash equivalents at the end of the year (refer note 11)	**39,99,074**	**47,29,327**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No.: 004542S/ S200070

Unnikrishnan Menon
Partner

Place: Bengaluru
Date: 30th April 2020

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 30th April 2020

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Coimbatore
Date: 30th April 2020

1. Company overview

Heptagon Technologies Private Limited (formerly known as Helpr Infotech India Pvt Ltd) ('Heptagon' or 'the Company') was incorporated on 23 July 2015 under the provisions of Companies Act, 2013, with its registered office in Coimbatore, India. The Company is engaged in the business of Information technology services & information technology products development.

The Company has changed its name from Helpr Infotech India Pvt Ltd to Heptagon Technologies Private Limited effective from 21st March 2017.

2. Basis of preparation

The company being an Associate Company of M/s. Quess Corp Ltd., a company whose equity is listed in both Bombay Stock Exchange (BSE) & National Stock Exchange, (NSE). These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The Company's standalone Ind AS financial statements are approved for issue by the Company's Board of Directors on 30th April 2020.

The standalone Ind AS financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

2.1 Basis of measurement and significant accounting policies

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

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments) and

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO").

2.2 Use of estimates and judgement

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements is included in the following note

i. ***Income taxes:*** Significant judgements are involved in determining provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

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ii. ***Measurement of defined benefit obligations:*** The cost of the defined benefit obligations are based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. All assumptions are reviewed on a periodic basis.

iii. ***Impairment of financial assets:*** The Company assesses on a forward-looking basis the expected credit losses associated with financial assets carried at amortised cost based on 12-month expected credit losses (ECL) at each reporting period, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

iv. ***Property, plant and equipment and Intangible assets:*** The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired, generated, and reviewed periodically.

v. ***Other estimates:*** The impairment of non-financial assets involves key assumptions underlying recoverable amounts including the recoverability of expenditure on internally generated intangible assets.

2.3 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the degree to which the fair value measurements are observable and significance of the inputs to fair value measurements:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments

2.4 Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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The cost and related accumulated depreciation are derecognized from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Subsequent expenditures relating to property, plant and equipment is capitalized 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. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is classified as capital advances under other non-current assets and the cost of the assets not ready for intended use are disclosed under 'Capital work-in-progress'

ii) Depreciation

Depreciation is provided on a Straight-Line Method ('SLM') over the estimated useful lives of the property, plant and equipment as estimated by the Management and is generally recognized in the statement of profit and loss. The management believes that the useful lives as given below best represent the period over which the management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for some of these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). The Company has estimated the useful lives for property, plant and equipment as follows:

Asset category	Estimated useful life for 31 March 2020
Plant and machinery	3 years
Computer equipment	3 years
Furniture and Fixtures	5 years
Office equipment	5 years

Leasehold improvements are depreciated over the lease term or estimated useful life whichever is lower.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted if appropriate.

2.5 Goodwill and intangible assets

(i) Recognition and measurement

Internally generated: Research and development

Research costs are expensed as incurred. Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software includes employee costs and an appropriate portion of relevant overheads.
Capitalized development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Others

Other intangible assets such as computer software, copyright and trademarks are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brand, is recognized in the statement of profit and loss as and when incurred.

(iii) Amortisation

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The estimated useful lives of intangible assets are as follows:

Asset category	Estimated useful life for 31 March 2020
Software (owned)	5 years
Trademark	3 Years

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

2.6 Impairment of non-financial assets

Intangible assets and property, plant and equipment 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.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

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S. R. Batliboi & Associates LLP Chartered Accountants Bangalore India

2.7 Leases

Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The Company has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The Company's lease asset classes primarily consist of Land and Building. The group assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate (As at 1 April 2019 - 9.5%).

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets:

The Company has elected not to recognize right-of-use assets and liabilities for short-term leases of INR 100,000 that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Practical expedients adopted on initial recognition:

1. The agreements maturing within 12 months from the initial application of Ind AS 116, are not considered.
2. Single discount rate is applied to a portfolio of leases with reasonably similar characteristics on the date of initial application.
3. Value of initial direct costs (such as Stamp Duty, registration costs etc. already paid) excluded from the measurement of ROUA.

Refer note 45 for disclosure related to leases.

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2.8 Revenue recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those services.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

Revenue from fixed-price, fixed time frame contracts are recognized as per the terms of the arrangement with the customer where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. In fixed rate contracts, the performance obligation and control are being satisfied and transferred over time and revenue is being recognized by measuring progress towards completion of the performance obligation. Certain arrangements are on time and material basis and are recognized as the services are performed as per the terms of the arrangement with the customer.

Refer Note 44 for disclosure related to revenue from contracts with customers

a) Policy in case of Unbilled revenue and unearned revenue

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

b) Policy in case of Contract modifications

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

c) Policy in case of variable consideration

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

d) Policy in case of cost of obtaining a contract

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Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term.

e) Policy in case of cost of fulfilling a contract

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

2.9 Other income

Other income mostly comprises interest income on deposits, dividend income and gain/ (losses) on disposal of financial assets and non-financial assets. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established

2.10 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the reporting date.

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 recognized in statement of profit or loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in the statement profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

The assets and liabilities of foreign operations (subsidiaries and joint venture) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement of profit and loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

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2.11 Financial instruments

a) Recognition and initial measurement

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Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

b) Financial assets

(i) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

(ii) A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

(iii) On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-to-investment basis.

(iv) All financial assets not classified at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit and loss. Any gain or loss on derecognition is recognized in the statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.
Equity investments at	These assets are subsequently measured at fair value. Dividends are recognized as income in the

FVOCI	statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to statement of profit and loss.

(i) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on financial assets trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL

ECL impairment loss allowance (or reversal) is recognized as an income/expense in the Statement of Profit and Loss during the period.

(ii) Derecognition of financial assets

A financial asset is derecognised only when:
- The Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

c) Financial liabilities

(i) Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit and loss. Other financial liabilities subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit and loss. Any gain or loss is also recognized in the statement of profit and loss.

(ii) Financial guarantee contracts

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Financial guarantee contracts are those contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because the specified party fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts are initially recognized at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognized less cumulative amortization.

(iii) Derecognition

A financial liability is derecognized when the Group's obligations are discharged or cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.12 Employee benefits

(a) Short-term benefit plans

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g. short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

(b) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit Method as at the reporting date.

(c) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

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(d) Defined benefit plans

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The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognized in other comprehensive income. Further, the Statement of profit and loss does not include an expected return on plan assets. Instead net interest recognized in the Statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to the Statement of profit and loss in subsequent periods.

(e) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.13 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current income tax for current and prior periods is recognized 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 reporting date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting 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 recognized as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax is not recognized for:

-temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.

- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

-taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent

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that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realised. Deferred tax assets, unrecognised or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Ind AS 12 defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

2.14 Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost. Expected future operating losses are not provided for.

Onerous contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with the contract.

2.15 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.16 **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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2.18 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.19 Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. However since the Company is in the business of rendering Information technology services & Information technology products to clients which are covered under similar arrangements and is considered by CODM as the only reportable business segment.

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3 Property, Plant and Equipment

(Amount in INR)

Particulars	Furniture and fixtures	Office equipment	Plant and machinery	Computer equipment	Right to use asset- Building	Total
Gross block/Deemed Cost						
As at 1 April 2018	**21,800**	**1,85,648**	**26,406**	**7,64,697**	**-**	**9,98,550**
Additions during the year	3,49,571	3,80,782	-	19,82,995	-	27,13,348
Disposals for the year		-	-	-	-	-
As at 31 March 2019	**3,71,371**	**5,66,430**	**26,406**	**27,47,692**	**-**	**37,11,899**
Additions during the year	13,55,576	4,63,134	-	12,52,122	1,27,58,194	1,58,29,027
Disposals for the year		-	-	5,77,781	-	5,77,781
As at 31 March 2020	**17,26,947**	**10,29,564**	**26,406**	**34,22,033**	**1,27,58,194**	**1,89,63,144**
Accumulated Depreciation						
As at 1 April 2018	**1,065**	**15,274**	**96**	**2,05,232**	**-**	**2,21,667**
Depreciation for the year	20,358	66,589	2,029	4,83,507	-	5,72,484
Accumulated depreciation on deletions	-	-	-	-	-	-
As at 31 March 2019	**21,423**	**81,863**	**2,125**	**6,88,739**	**-**	**7,94,150**
Depreciation for the year	1,91,514	1,80,113	2,036	12,09,644	14,64,055	30,47,362
Accumulated depreciation on deletions	-	-	-	5,23,719	-	5,23,719
As at 31 March 2020	**2,12,937**	**2,61,976**	**4,161**	**13,74,664**	**14,64,055**	**33,17,793**
Net Block :						
As at 31 March 2020	**15,14,011**	**7,67,588**	**22,244**	**20,47,370**	**1,12,94,139**	**1,56,45,352**
As at 31 March 2019	**3,49,948**	**4,84,567**	**24,281**	**20,58,953**	**-**	**29,17,749**

4 Intangible Assets

Particulars	Trademark	IP Technology	Intangible assets under development*	Total
Gross block				
As at 1 April 2018	80,000	-	1,90,000	2,70,000
Additions during the year	-	-	1,79,41,960	1,79,41,960
Disposals for the year	-	-	-	-
As at 31 March 2019	**80,000**	-	**1,81,31,960**	**1,82,11,960**
Additions during the year	-	1,77,54,057	87,69,675	2,65,23,732
Disposals for the year	-	-	-	-
Capitalised during the year	-	-	1,77,54,057	1,77,54,057
As at 31 March 2020	**80,000**	**1,77,54,057**	**91,47,578**	**2,69,81,635**
Accumulated Depreciation				
As at 1 April 2018	**6,569**	-	-	6,569
Amortisation for the year	26,643	-	-	26,643
Accumulated amortisation on deletions		-	-	-
As at 31 March 2019	**33,212**	-	-	**33,212**
Amortisation for the year	26,715	17,75,406	-	18,02,121
Accumulated amortisation on deletions			-	-
As at 31 March 2020	**59,927**	**17,75,406**	-	**18,35,333**
Net Block				
As at 31 March 2020	**20,073**	**1,59,78,651**	**91,47,578**	**2,51,46,302**
As at 31 March 2019	**46,788**	-	**1,81,31,960**	**1,81,78,748**

* During the current year, the Company is in the process of developing Focus, Converse and People Chain software's/products. People Desk software which was under development last year is capitalised during the month of September'19. The products are in the development phase and all the related cost incurred towards these product has been capitalised. Refer note 48.
The Company is also in the process of registering trademark for the software developed by them for which cost of INR 1600 (31 March 2019:INR 3,00,750) has been capitalised under "intangible asset under development"

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5 Non-current investments

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Unquoted		
Investment carried at fair value through other comprehensive income		
Investments in equity and other instruments (refer note A below)	64,50,00,000	68,27,27,692
	64,50,00,000	**68,27,27,692**

(Amount in INR)

A Particulars	31 Mar 2020	31 Mar 2019
Unquoted - Trade		
Investment carried at fair value through other comprehensive income		
Other non-current investments		
1,25,000 shares (31 March 2019: 1,25,000) fully paid up equity shares of par value of INR 10.00 each of Terrier Security Services (India) Private Limited	64,50,00,000	68,27,27,692
Total investments in equity accounted investees (refer note 36)	**64,50,00,000**	**68,27,27,692**
Aggregate amount of unquoted investments	64,50,00,000	68,27,27,692
Aggregate amount of impairment in value of investments	3,77,27,692	-

(i) During the year ended 31 March 2019, the Company had entered into Share Purchase Agreement ("SPA") with Terrier Security Services (India) Private Limited ("Terrier") and its shareholder Captain S Ravi dated 10 May 2018, to acquire shareholding of Captain S Ravi i.e 25% stake (1,25,000 shares) for consideration of INR 64.50 crore mentioned in the SPA. However, the Company is not in a position to exert control as it does not have the power to govern the relevant activities. Further, the Company has no other contractual rights/arrangements that provides control to the Heptagon.
Therefore, Heptagon does not have any control on Terrier and money invested in Terrier to acquire 25% holding will be accounted as investment.

6 Non current loans

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Unsecured, considered good		
Security deposits	7,87,722	17,46,654
	7,87,722	**17,46,654**

The Company has fair valued these security deposits under Ind AS.

7 Income tax assets (net)

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Advance income tax (Refer note 34)	1,24,81,922	68,23,710
	1,24,81,922	**68,23,710**

8 Other Non-Current assets

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
(Unsecured and considered good)		
Prepaid expenses	3,10,836	2,38,680
	3,10,836	**2,38,680**

9 Current Investments

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Investment carried at fair value through profit & loss		
Investments in liquid mutual fund units	71,69,36,886	71,74,29,636
	71,69,36,886	**71,74,29,636**

Details of investments in liquid mutual fund

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
7,151,661.38 units (March 2019: 7,151,661.38 units) Liquid Fund - DP monthly dividend	71,69,36,886	71,74,29,636
	71,69,36,886	**71,74,29,636**
Aggregate value of quoted investments	**71,69,36,886**	**71,74,29,636**

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10 Trade receivables

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Unsecured		
Considered good (Refer note 37)*	1,43,18,507	1,12,52,031
Considered doubtful	25,000	-
	1,43,43,507	**1,12,52,031**
Loss allowance (refer note 37)		
Unsecured considered good	-	-
Doubtful	(25,000)	-
	(25,000)	-
Net trade receivables	**1,43,18,507**	**1,12,52,031**
# receivable from related parties (refer note 46(C))	32,84,776	80,19,621

All trade receivables are current. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

11 Cash and cash equivalents

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Cash and cash equivalents		
Cash in hand	2,216	9,753
Balances with banks		
In current accounts	39,96,858	47,19,574
Cash and cash equivalents in balance sheet	**39,99,074**	**47,29,327**
Bank overdraft used for cash management purpose	-	-
Cash and cash equivalent in the statement of cash flow	**39,99,074**	**47,29,327**

12 Bank balances other than cash and cash equivalents

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
In deposit accounts (mature within 12 months from the reporting date)	-	75,00,000
	-	**75,00,000**

13 Current loans

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Unsecured, considered good		
Security deposits	60,000	6,18,797
	60,000	6,18,797
Other loans and advances		
Loans to employees*	2,18,536	7,02,964
	2,78,536	**13,21,761**

*There is no loss allowance required to be created for loans to employees as these are in the nature of advance given to employees for operating purpose.

14 Unbilled revenue

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Unbilled revenue*	59,47,149	30,55,896
	59,47,149	**30,55,896**
*includes unbilled revenue billable to related parties (refer note 46(C))	24,43,500	28,29,396

15 Other current financial assets

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Dividend receivable	27,18,346	26,43,253
Interest accrued but not due	-	26,713
	27,18,346	**26,69,966**

16 Other current assets

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Advances to suppliers	4,62,214	51,11,294
Prepaid expenses	1,33,608	11,011
Balances with government authorities	3,08,380	7,36,391
	9,04,202	**58,58,696**

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17 Equity share capital

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Authorised		
1,00,000 (31 March 2019: 1,00,000) equity shares of par value of Rs 10 each	10,00,000	10,00,000
	10,00,000	**10,00,000**
Issued, subscribed and paid-up		
27,778 (31 March 2019: 27,778) equity shares of par value of Rs 10 each, fully paid up	2,77,780	2,77,780
	2,77,780	**2,77,780**

17.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in Rs	Number of shares	Amount in Rs
Equity shares				
At the commencement of the year	27,778	2,77,780	27,778	2,77,780
Shares issued on exercise of employee stock options	-	-	-	-
Shares issued during the year	-	-	-	-
At the end of the year	**27,778**	**2,77,780**	**27,778**	**2,77,780**

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in Rs	Number of shares	Amount in Rs
Equity shares				
Equity shares of par value Rs 10 each				
Quess Corp Limited	13,611	1,36,110	13,611	1,36,110
Rengasamy Vignesh	4,722	47,222	4,722	47,223
Veeraraghavan Vijayramkumar	4,722	47,223	4,722	47,223
Sankarappan Rajesh	4,722	47,223	4,722	47,223
	27,778	**2,77,779**	**27,778**	**2,77,779**

17.3 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each equity holder is entitled to one vote per share. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of preferential amounts if any, in proportion to the number of equity shares held.

17.4 The Company has not made any buy back of shares or issued any shares for consideration other than cash, during the period of five years immediately preceding the balance sheet date.

18 Other equity*

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Securities premium account (refer note 18.1)	9,75,72,169	9,75,72,169
Other comprehensive income (refer note 18.2)	(4,67,785)	3,73,77,401
Retained earnings	(31,68,42,251)	(17,82,68,802)
	(21,97,37,867)	**(4,33,19,231)**

18.1 Securities premium account

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

18.2 Other comprehensive income

Remeasurement of defined benefit liability (asset) comprises actuarial gain and losses and impact of fair valuation of Investment in Terrier Security Services (India) Private Limited.

* For detailed movement of reserves refer Statement of Changes in Equity.

19 Non-current borrowings

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Secured		
Loan from Citi Corp Finance (India) Limited (refer note 19.1)	65,00,00,001	64,91,03,993
Total borrowing	**65,00,00,001**	**64,91,03,993**

19.1 The Company has taken loan from Citicorp Finance (India) Limited for acquisition of 25% of stake in Terrier Security Service Pvt. Ltd. of INR 65 crore with a repayment period of 5 year at an interest rate 9% p.a as per the repayment schedule.

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20 Other non-current financial liabilities

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Lease liability (refer note 45)	97,58,696	-
	97,58,696	-

21 Non-current provisions

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Provision for employee benefits		
Provision for gratuity (refer note 40)	38,34,709	20,72,724
Provision for compensated absences(refer note 40)	5,05,143	-
	43,39,852	**20,72,724**

22 Other non-current financial liabilities

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Lease liability (refer note 45)	97,58,696	-
	97,58,696	-

23 Current borrowings

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Loan from related parties, unsecured		
From Quess Corp Ltd. (refer note 23.1)	88,73,58,148	77,57,00,000
Loan from Directors	3,16,128	3,16,128
	88,76,74,276	**77,60,16,128**

*Information about the Company's exposure to interest rate and liquidity risk is included in note 36.

23.1 The Company has availed a loan of INR 85.73 crore from Quess Cop Ltd. at the rate of 10% p.a which is repayable on demand.
The Company has also taken working capital loan from Quess Corp Ltd. for INR 3 crore at the rate of 10% p.a which can be converted into equity. As confirmed by Quess Corp Limited as on the reporting date, Quess does not have an intention to convert this loan balance into equity.

24 Trade payables

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 41)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises#	5,09,951	16,09,247
	5,09,951	**16,09,247**
# payable to related party (refer note 46(C))	3,780	23,206

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 37.

25 Other current financial liabilities

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Interest accrued but not due#	8,22,22,557	5,83,68,501
Interest Payable to Citicorp Finance (India) Limited	44,71,644	44,71,644
Other payables		
Accrued salaries and benefits	94,94,341	82,24,965
Lease liability (refer note 45)	19,92,944	-
	9,81,81,486	**7,10,65,110**
# payable to related party (refer note 46(C))	8,22,22,557	5,78,71,652

The Company's exposure to currency and liquidity risk related to other current financial liabilities is disclosed in note 37.

26 Current provisions

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Provision for employee benefits		
Provision for gratuity (refer note 40)	4,994	3,328
Provision for compensated absences (refer note 40)	1,86,990	1,31,194
	1,91,984	**1,34,522**

27 Other current liabilities

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Income received in advance	86,65,893	7,69,024
Advance received from customers	10,48,342	10,18,930
Balances payable to government authorities	24,36,144	72,98,183
Provision for expense	11,28,296	4,04,135
	1,32,78,675	**94,90,272**
# Advance from related party (refer note 46(C))	10,18,930	4,18,500

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28 Revenue from operations

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Sale of services (refer note 44)	6,38,29,763	5,29,75,679
	6,38,29,763	**5,29,75,679**

29 Other income

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Interest income on deposits with banks	1,59,324	2,13,336
Interest income under the effective interest method on:		
Interest income on present valuation of financial instruments	1,60,112	1,61,076
Dividend income on mutual fund units	2,95,32,070	3,17,31,921
Liabilities and provisions reversed	-	7,147
Loss on change in NAV of mutual fund	(4,92,749)	(25,70,364)
Miscellaneous income	-	22,062
	2,93,58,757	**2,95,65,178**

30 Employee benefits expense

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Salaries and wages	6,05,34,358	2,80,97,530
Contribution to provident and other funds	28,09,882	18,15,913
Expenses related to post-employment defined benefit plan (refer note 40)	16,46,157	11,49,206
Expenses related to compensated absences	5,60,939	(50,221)
Staff welfare expenses	2,86,425	3,41,534
	6,58,37,761	**3,13,53,962**

31 Finance costs

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Interest expense on financial liabilities at amortised cost	14,62,61,675	12,24,93,435
	14,62,61,675	**12,24,93,435**

32 Depreciation and amortisation expense

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Depreciation of property, plant and equipment (refer note 3)	30,47,362	5,72,483
Amortisation of intangible assets (refer note 4)	18,02,121	26,643
	48,49,483	**5,99,126**

33 Other expenses

(Amount in INR)

Particulars	31 Mar 2020	31 Mar 2019
Recruitment and training expenses	68,831	1,16,343
Rent (refer note 45)	25,22,703	42,20,683
Power and Fuel	6,35,953	6,55,094
Repairs & maintenance		
- buildings	7,62,464	5,71,404
- plant and machinery	3,18,120	1,54,075
- computer equipment's, consumables and others	7,25,393	2,71,564
Legal and professional fees (refer note 33.1)	15,19,755	26,97,907
Rates and taxes	88,225	8,57,669
Printing and stationery	2,25,930	2,25,880
Travelling and conveyance	12,88,444	16,78,470
Communication expenses	17,86,729	11,87,674
Impairment loss allowance on financial assets, net [refer note 37(i)]	25,000	-
Deposits/Advances Written-off	48,317	-
Technological support services	25,08,155	21,06,162
Bank charges	828	13,621
Business promotion and advertisement expenses	21,61,944	5,53,410
Loss on sale of fixed assets, net	4,062	-
Foreign exchange loss, net	1,01,677	933
Miscellaneous expenses	20,521	19,247
	1,48,13,051	**1,53,30,136**

33.1 Payment to auditors (net of GST; included in legal and professional fees)

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit fees	75,000	75,000
Tax audit fees	40,000	25,000
Other services	30,000	-
Reimbursement of expenses	3,000	4,500
	1,48,000	1,04,500

34 Taxes

The major components of income tax expense for the year ended 31 March 2020 and 31 March 2019 are as follows:

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statement of profit and loss account		
Current income tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of profit and loss	-	-
Other comprehensive Income		
Deferred tax related to items recognised in OCI during the year	-	-
Income tax expense has been allocated as follows:		
- Deferred tax arising on income and expense recognised in other comprehensive income	-	-
Total	-	-

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(Amount in INR)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	- #	- #
Enacted income tax rate in India	26.00%	27.55%
Effect of:		
Deferred tax credit	-*	-*
Total income tax expense	-	-

The tax rates under Indian Income Tax Act, for the year ended 31 March 2020 and 31 March 2019 is 26% and 27.55% respectively.
No tax recognition in the previous year since taxable loss incurred in the previous year.

Deferred tax

The company has not recognised deferred tax asset as at 31 March 2020 and 31 March 2019 due to absence of reasonable certainty of set off of unabsorbed losses against taxable profits in the foreseeable future.

The Company has not created deferred tax assets on the following: *(Amount in INR)*

Particulars	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment	69,489	91,569
Provision for compensated absence	1,45,844	(13,836)
Provision for gratuity	5,19,076	3,16,606
Lease liability	1,18,950	-
Remeasurement of defined benefit obligation	30,548	96,505
Losses available for offsetting against future taxable income	4,18,16,755	2,24,31,934
	4,27,00,663	**2,29,22,779**

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019:

(Amount in INR)

Particulars	31 March 2020	31 March 2019
Income tax assets	1,24,81,922	68,23,710
Income tax liabilities	-	-
Net income tax assets at the end of the year	**1,24,81,922**	**68,23,710**

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35 Financial instruments - fair value and risk management

Financial instruments by category

(Amount in INR)

Particulars	Note	31 March 2020		
		FVTPL	FVTOCI	Amortised Cost
Financial assets:				
Non-current investments	5	-	64,50,00,000	-
Loans	6 and 13	-	-	10,66,258
Current investments	9	71,69,36,886	-	-
Trade receivables	10	-	-	1,43,18,507
Cash and cash equivalents including other bank balances	11 and 12	-	-	39,99,074
Unbilled revenue	14	-	-	59,47,149
Other financial assets	15	-	-	27,18,346
Total financial assets		**71,69,36,886**	**64,50,00,000**	**2,80,49,333**
Financial liabilities:				
Borrowings	23	-	-	88,76,74,276
Trade payables	24	-	-	5,09,951
Other financial liabilities	25	-	-	9,81,81,486
Non-current borrowings	19	-	-	65,00,00,001
Other non current financial liabilities	20	-	-	97,58,696
Total financial liabilities		-	-	**1,64,61,24,410**

*Current maturities of finance lease obligation forms part of other financial liabilities

(Amount in INR)

Particulars	Note	31 March 2019		
		FVTPL	FVTOCI	Amortised Cost
Financial assets:				
Non-current investments	5	-	68,27,27,692	-
Loans*	6 and 13	-	-	30,68,415
Current investments	9	71,74,29,636	-	-
Trade receivables	10	-	-	1,12,52,031
other bank balances	11 and 12	-	-	1,22,29,327
Unbilled revenue	14	-	-	30,55,896
Other financial assets	15	-	-	26,69,966
Total financial assets		**71,74,29,636**	**68,27,27,692**	**3,22,75,635**
Financial liabilities:				
Borrowings	23	-	-	77,60,16,128
Trade payables	23	-	-	16,09,247
Other financial liabilities	24	-	-	7,10,65,110
Non-current borrowings	19	-	-	64,91,03,993
Other non current financial liabilities	20	-	-	-
Total financial liabilities		-	-	**1,49,77,94,479**

Accounting classification and fair value

The carrying value and fair value of financial instruments by categories as at 31 March 2020 and 31 March 2019 are as follows:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

As at 31 March 2020 *(Amount in INR)*

Particulars	Carrying value	Fair value		
Financial assets	**31 March 2020**	**Level 1**	**Level 2**	**Level 3**
Amortised cost				
Trade receivables	1,43,18,507	-	-	-
Cash and cash equivalents	39,99,074	-	-	-
Other financial assets	89,44,030	-	-	-
Non-current loans	7,87,722	-	-	-
Financial assets measured at fair value				
Other non-current investments	64,50,00,000	-	-	64,50,00,000
Current investments	71,69,36,886	71,69,36,886	-	-
Total financial assets	**1,38,99,86,219**	**71,69,36,886**	-	**64,50,00,000**
Financial liabilities				
Amortised cost				
Borrowings	88,76,74,276	-	-	-
Trade payables	5,09,951	-	-	-
Other financial liabilities	9,81,81,486	-	-	-
Non-current borrowings	65,00,00,001	-	-	-
Other non current financial liabilities	97,58,696	-	-	-
Total financial liabilities	**1,64,61,24,410**	-	-	-

As at 31 March 2019 *(Amount in INR)*

Particulars	Carrying value	Fair value		
Financial assets	**31 March 2019**	**Level 1**	**Level 2**	**Level 3**
Amortised cost				
Trade receivables	1,12,52,031	-	-	-
Cash and cash equivalents	47,29,327	-	-	-
Other financial assets	1,45,47,623	-	-	-
Non-current loans	17,46,654	-	-	-
Financial assets measured at fair value				
Other non-current investments	68,27,27,692	-	-	68,27,27,692
Current investments	71,74,29,636	71,74,29,636	-	-
Total financial assets	**1,43,24,32,963**	**71,74,29,636**	-	**68,27,27,692**
Financial liabilities				
Amortised cost				
Borrowings	77,60,16,128	-	-	-
Trade payables	16,09,247	-	-	-
Other financial liabilities	7,10,65,110	-	-	-
Non-current borrowings	64,91,03,993	-	-	-
Other non current financial liabilities	-	-	-	-
Total financial liabilities	**1,49,77,94,479**	-	-	-

The management assessed that fair value of cash and short-term deposits, trade receivables, other current assets, borrowings, tradė payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these 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.

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36 Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference shares included in level 3.

Fair valuation method

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.

The management assessed that fair value of financials assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Hence there are no financials assets or liabilities revalued at fair value except below items.

Valuation inputs and relationships to fair value

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used (refer above notes for valuation technique adopted):

Financial instruments measured at fair value

Particulars	**Fair Value as at 31 March 2020**	**Significant unobservable inputs**	**Fair value as at 31-Mar-20**		**Sensitivity**
			Increase	**Decrease**	
Other non-current investments (unquoted)	64,50,00,000	WACC change	2,61,00,000	(2,61,00,000)	Decrease and Increase in WACC by 0.5%
		EBITDA projection	78,00,000	(78,00,000)	Decrease or increase in EBITDA projection by 1%

Particulars	**Fair Value as at 31 March 2019**	**Significant unobservable inputs**	**Fair value as at 31-Mar-19**		**Sensitivity**
			Increase	**Decrease**	
Other non-current investments (unquoted)	68,27,27,692	WACC	5,98,00,000	5,98,00,000	Decrease and Increase in WACC by 1%
		Revenue projection	63,00,000	(63,00,000)	Decrease or increase in Revenue projection by 1%

37 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Credit risk on cash and cash equivalents and other bank balances and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loan represents security deposits given to suppliers, employees and others. The credit risk associated with such deposits is relatively low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base. The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 31 March 2019 and 31 March 2019 are as follows:

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are due for more than specific number of days. Loss rates are based on actual credit loss experience over the last six quarters.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:

Expected credit loss for trade receivable:

As at 31 March 2020 *(Amount in INR)*

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	1,08,55,266	0.00%	-	No	1,08,55,266
Past due 1–90 days	29,22,680	0.00%	-	No	29,22,680
Past due 91–180 days	6,64,914	0.00%	-	No	6,64,914
Past due 181–270 days	-	0.00%	-	No	-
Past due 271–360 days	-	0.00%	-	No	-
Above 360 days	25,000	100.00%	25,000	No	-
	1,44,67,860		**25,000**		**1,44,42,860**

As at 31 March 2019 *(Amount in INR)*

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	57,44,726	0.00%	-	No	57,44,726
Past due 1–90 days	41,94,580	0.00%	-	No	41,94,580
Past due 91–180 days	12,37,500	0.00%	-	No	12,37,500
Past due 181–270 days	75,225	0.00%	-	No	75,225
Past due 271–360 days	-	0.00%	-	No	-
Above 360 days	-	100.00%	-	No	-
	1,12,52,031		-		**1,12,52,031**

Movement in allowance for impairment in respect of trade receivables:

The movement in the allowance for impairment in respect of trade receivables during the year was as follows: *(Amount in INR)*

Particulars	31 March 2020	31 March 2019
Balance as at the beginning of the year	-	-
Additions through business combination	-	-
Impairment loss allowances recognised/ (reversed)	25,000	-
Less: Amounts written off	-	-
Balance as at the end of the year	**25,000**	-

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ii) Liquidity risk

The Company's principal source of liquidity are cash and cash equivalents and financial support from Quess Corp Ltd. Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

i) Financing arrangement

The Company maintains the following line of credit:

(i) The Company has taken loan from Quess Corp Ltd. having interest rate at 10% p.a.

As at 31 March 2020 *(Amount in INR)*

Particulars		Contractual cash flows		
	Carrying amount	**Less than 1 year**	**1-2 years**	**2 years and above**
Non-current borrowings	65,00,00,001	-	-	65,00,00,001
Borrowings	88,76,74,276	88,76,74,276	-	-
Trade payables	5,09,951	5,09,951	-	-
Other financial liabilities	9,81,81,486	9,81,81,486	-	-

As at 31 March 2019

Particulars		Contractual cash flows		
	Carrying amount	**Less than 1 year**	**1-2 years**	**2 years and above**
Non-current borrowings	64,91,03,993	-	-	64,91,03,993
Borrowings	77,60,16,128	77,60,16,128	-	-
Trade payables	16,09,247	16,09,247	-	-
Other financial liabilities	7,10,65,110	7,10,65,110	-	-

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is not exposed to Market risk as the Company does not have any major foreign transactions and interest rates are also fixed

a) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the related entities.

a) Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk as reported to management is as follows:

Particulars	Currency	As at 31 March 2020		As at 31 March 2019	
		Foreign currency*	**Amount in Reporting Currency**	**Foreign currency***	**Amount in Reporting Currency**
Trade receivables					
	MYR	11,322	1,97,789	93,411	15,82,385
	GBP	-	-	1,383	1,25,207
	USD	10,682	8,05,043	-	-

The following significant exchange rates have been applied

Particulars	Year end spot rate	
	31 March 2020	**31 March 2019**
MYR/ Reporting currency	17.47	16.94
GBP/ Reporting currency	-	90.53
USD/ Reporting currency	75.37	-

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b) Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the MYR, GBP and USD against Reporting currency at 31 March 2020 and 31 March 2019 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2020				
MYR (1% movement)	(1,978)	1,978	(1,464)	1,464
GBP (1% movement)	-	-	-	-
USD (1% movement)	(8,050)	8,050	(5,957)	5,957
31 March 2019				
MYR (1% movement)	(15,824)	15,824	(11,464)	11,464
GBP (1% movement)	(1,252)	1,252	(907)	907

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company borrowings comprises of term loan taken from Citicorp Finance (India) Limited , working capital loan taken from Quess Corp Ltd. and loan from Director. Loan from Citicorp Finance (India) Limited and loan from Quess Corp Ltd. carry fixed rate of interest and is not exposed to significant interest rate risk.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows: *(Amount in INR)*

Particulars	March 31, 2020	March 31, 2019
Variable rate borrowings	-	-
Fixed rate borrowings	1,53,76,74,277	1,42,51,20,121
Total borrowings	**1,53,76,74,277**	**1,42,51,20,121**

c) Price risk

(a) Price risk exposure

The Company's exposure to price risk arises from investments held by the company in the mutual fund units and classified as fair value through profit or loss in the financial statements.

To manage its price risk arising from investments in mutual fund units, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The exposure of the Company's mutual fund investments to security price changes at the end of the reporting period are as follows:

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Investments in mutual fund units	71,69,36,886	71,74,29,636
Total investments	**71,69,36,886**	**71,74,29,636**

(b) Sensitivity

(Amount in INR)

Particulars	Impact on profit after tax	
	1% increase	1% decrease
31 March 2020	53,05,336	(53,05,336)
31 March 2019	51,97,781	(51,97,781)

38 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowing, current borrowing, current maturities of long-term borrowings and current maturities of finance lease obligations less cash and cash equivalents.

The Company's policy is to keep the ratio below 2.50. The Company's adjusted net debt to equity ratio is as follows:

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Gross debt	1,66,39,34,921	1,50,94,91,997
Less: Cash and cash equivalent	39,99,074	47,29,327
Adjusted net debt (borrowings net of cash and cash equivalent)	**1,65,99,35,847**	**1,50,47,62,670**
Total equity	(21,94,60,087)	(4,30,41,451)
Net debt (Total external liabilities) to equity ratio	**(7.56)**	**(34.96)**

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39 Capital Commitments and commitments

The company does not have any capital commitments and contingent liability as at 31 March 2020 and 31 March 2019.

40 Assets and liabilities relating to employee benefits

A The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Scheme is not funded. The Company accrued gratuity under the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date and the maximum payment is restricted to Rs 20 lakhs.

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Net defined benefit liability, gratuity plan	38,39,703	20,76,052
Liability for compensated absences	6,92,133	1,31,194
Total employee benefit liability	**45,31,836**	**22,07,246**
Current (refer note 26)	1,91,984	1,34,522
Non- Current (refer note 21)	43,39,852	20,72,724
	45,31,836	**22,07,246**

For details about employee benefit expenses, see note 2.12

B Reconciliation of net defined benefit liability/ asset

(Amount in INR)

Particulars	31 March 2020	31 March 2019
Change in defined benefit obligation		
Obligation at the beginning of the year	20,76,052	5,76,555
Current service cost	14,95,324	11,05,419
Interest cost	1,50,833	43,787
Benefit settled	-	-
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	(1,67,639)	2,85,776
- Changes in demographic assumptions	912	64,515
- Changes in financial assumptions	2,84,221	-
Obligation at end of the year	**38,39,703**	**20,76,052**

C i) Expense recognised in profit or loss

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Service cost	14,95,324	11,05,419
Net interest on net defined benefit liability/(asset)	1,50,833	43,787
Net gratuity cost	**16,46,157**	**11,49,206**

ii) Remeasurement recognised in other

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of the net defined benefit liability	1,17,494	3,50,291
Remeasurement of the net defined benefit asset	-	-
	1,17,494	**3,50,291**

D Defined benefit obligation - Actuarial Assumptions

Particulars	31 March 2020	31 March 2019
Discount rate	6.35%	7.25%
Salary increase	10.00%	10.00%
Attrition rate	15.00%	15.00%
Average duration of defined benefit obligation (in years)	9 Years	9 Years

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

E Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

	As at 31 March 2020		As at 31 March 2019	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	35,25,689	41,99,868	18,99,448	22,78,297
Future salary growth(1% movement)	41,74,744	35,34,870	22,70,555	19,02,104
Attrition rate (50% movement)	30,35,803	52,94,016	15,58,222	29,15,147

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40 Assets and liabilities relating to employee benefits (continued)

F Compensated absence

The Company has accounted the cost of compensated absence based on the actuarial valuation report obtained on 31 March 2020 and has estimated a compensated absence liability of INR 6,92,133 (31 March 2019: INR 131,194) under projected unit credit method as per Ind AS 19.

Key assumptions used in the valuation of compensated absence Liability are as given below:

Particulars	31 March 2020	31 March 2019
Discount rate	6.35%	7.25%
Salary increase	10.00%	10.00%
Attrition rate	15.00%	15.00%
Mortality rate	IALM (2012-14) published table of mortality rates	IALM (2006-08) published table of mortality rates

41 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2020 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises

42 Computation of Earnings per share (EPS)

(Amount in INR except number of shares and per share data)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Nominal value of equity shares	10	10
Net profit after tax for the purpose of earnings per share	(13,85,73,450)	(8,72,35,802)
Weighted average number of shares used in computing basic earnings per share	27,778	27,778
Basic earnings per share	**(4,989)**	**(3,140)**
Weighted average number of shares used in computing diluted earnings per share	27,778	27,778
Diluted earnings per share*	**(4,989)**	**(3,140)**

* Refer note 23.1. Accordingly, the loan is not considered as potential equity and hence does not impact the diluted EPS

Computation of weighted average number of shares

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Number of equity shares outstanding at beginning of the year	**27,778**	**27,778**
Add: Weighted average number of equity shares issued during the year	-	-
Weighted average number of shares outstanding at the end of year for computing basic and diluted earnings per share	**27,778**	**27,778**

43 In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

44 Revenue from Contracts with customers

(i) Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.
Invoicing in excess of earnings are classified as unearned revenue.
Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Amount in INR)

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables'	1,43,18,507	1,12,52,031
Contract assets (Unbilled revenue)	59,47,149	30,55,896
Contract liabilities (Unearned revenue & Advance r'd from customers)	86,65,893	7,69,024

The unbilled revenue (contract assets) primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.
The contract liabilities primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue (contract assets) balances for the year ended 31 March 2020 and 31 March 2019:

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning	30,55,896	-
Add : Revenue recognized during the period	6,38,29,763	5,29,75,679
Less : Invoiced during the period	(6,09,38,510)	(4,99,19,783)
Balance at the end	59,47,149	30,55,896

The following table discloses the movement in unearned revenue (contract liabilities) balances for the year ended 31 March 2020 and 31 March 2019:

(Amount in INR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning	7,69,024	8,04,597
Less: Revenue recognized during the period	21,22,977	22,69,552
Add: Invoiced during the period but not recognized as revenues	1,00,19,847	22,33,978
Balance at the end	86,65,893	7,69,024

(ii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the company has not disclosed the value of remaining performance obligations for
(i) contracts with an original expected duration of one year or less and
(ii) contracts for which the company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).
The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2020, other than those meeting the exclusion criteria mentioned above, is Nil.

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

Heptagon Technologies Private Limited

Heptagon Technologies Private Limited
(formerly known as Helpr Infotech India Private Limited)
Notes to the financial statements for the year ended 31 March 2020

45 Lease liability

(Amount in INR)

a) Particulars	As at 31 March 2020
Current lease liability	19,92,943.61
Non-current lease liability	97,58,696.39
Total	**1,17,51,640.00**

b) The following is the movement in lease liabilities (Amount in INR)

Particulars	As at 31 March 2020
Operating lease recognised on adoption of Ind AS 116	-
Reclassification on adoption of Ind AS 116 - Fin lease obligation	-
Add: Additions	1,27,58,194.0
Less: Deletion	-
Add: Finance cost accrued during the period	6,83,946.0
Less: Payment of lease obligation	(16,90,500.0)
Carrying amount as at 31 March 2020	**1,17,51,640.00**

c) Amount recognised in PL (Amount in INR)

Particulars	For the year ended 31 March 2020
Interest expense (included in finance cost)	6,83,946.0
Expenses relating to short-term lease (included in other expenses)	25,22,702.5
	32,06,649

d) The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2020 on an undiscounted basis:

(Amount in INR)

Particulars	As at 31 March 2020
Less than one year	30,25,750
One to five years	1,15,20,205
More than five years	-
	1,45,45,955

Rental expense recorded for short-term leases was INR 25,22,702 for the year ended 31 March 2020 and INR 40,54,087 for the year ended 31 March 2019.

Heptagon Technologies Private Limited Coimbatore

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

46 Related party disclosures

(A) Name of related parties and description of relationship:

- Entity having significant influence	Quess Corp Limited Fairfax Financial Holdings Limited HWIC Asia Fund Fairbridge Capital (Mauritius) Limited (w.e.f 6 December 2019) Thomas Cook (India) Limited (upto 6 December 2019) Fairfax (US) Inc. National Collateral Management Services Limited
- Subsidiaries, associates and joint venture of Quess Corp	Refer note (i)
- Entity having common directors	Vedang Cellular Services Private Limited Qdigi Services Limited Dependo Logistics Solutions Private Limited Conneqt Business Solution Limited Simpliance Technologies Private Limited Terrier Security Services (India) Private Limited Trimax Smart Infraprojects Private Limited Golden Star Facilities and Services Private Limited Comtelpro Pte. Limited. Comtel Solutions Pte. Ltd. Quess Corp Lanka (Private) Limited Quessglobal (Malaysia) SDN. BHD. Monster.com.SG PTE Limited Monster.com HK Limited Agency Pekerjaan Quess Recruit SDN. BHD. Himmer Industrial Services (M) SDN. BHD.

(i) List of subsidiaries (including step-subsidiaries), associates and joint venture

Name of the entity	Nature of relation	Country of domicile
Coachieve Solutions Private Limited*	Subsidiary of Quess Corp Ltd.	India
MFX Infotech Private Limited	Subsidiary of Quess Corp Ltd.	India
Aravon Services Private Limited*	Subsidiary of Quess Corp Ltd.	India
Brainhunter Systems Ltd.	Subsidiary of Quess Corp Ltd.	Canada
Mindwire Systems Limited	Subsidiary of Quess Corp Ltd.	Canada
Quess (Philippines) Corp.	Subsidiary of Quess Corp Ltd.	Philippines
Quess Corp (USA) Inc.	Subsidiary of Quess Corp Ltd.	USA
Quesscorp Holdings Pte. Ltd.	Subsidiary of Quess Corp Ltd.	Singapore
Quess Corp Vietnam LLC	Subsidiary of Quess Corp Ltd.	Vietnam
Quessglobal (Malaysia) SDN. BHD.	Subsidiary of Quess Corp Ltd.	Malaysia
Quess Corp Lanka (Private) Limited	Subsidiary of Quess Corp Ltd.	Sri Lanka
Comtel Solutions Pte. Ltd.	Subsidiary of Quess Corp Ltd.	Singapore
MFXchange Holdings, Inc.	Subsidiary of Quess Corp Ltd.	Canada
MFXchange US, Inc.	Subsidiary of Quess Corp Ltd.	USA
MFX Chile SpA	Subsidiary of Quess Corp Ltd.	Chile
Dependo Logistics Solutions Private Limited	Subsidiary of Quess Corp Ltd.	India
CentreQ Business Services Private Limited*	Subsidiary of Quess Corp Ltd.	India
Excelus Learning Solutions Private Limited	Subsidiary of Quess Corp Ltd.	India
Conneqt Business Solution Limited	Subsidiary of Quess Corp Ltd.	India
Vedang Cellular Services Private Limited	Subsidiary of Quess Corp Ltd.	India
Master Staffing Solutions Private Limited*	Subsidiary of Quess Corp Ltd.	India
Golden Star Facilities and Services Private Limited	Subsidiary of Quess Corp Ltd.	India
Comtelpro Pte. Limited.	Subsidiary of Quess Corp Ltd.	Singapore
Comtelink Sdn. Bhd	Subsidiary of Quess Corp Ltd.	Malaysia
Monster.com (India) Private Limited	Subsidiary of Quess Corp Ltd.	India
Monster.com.SG PTE Limited	Subsidiary of Quess Corp Ltd.	Singapore
Monster.com HK Limited	Subsidiary of Quess Corp Ltd.	Hong Kong
Agensi Pekerjaan Monster Malaysia SDN. BHD.	Subsidiary of Quess Corp Ltd.	Malaysia
Quesscorp Management Consultancies	Subsidiary of Quess Corp Ltd.	Dubai, UAE
Quesscorp Manpower Supply Services LLC	Subsidiary of Quess Corp Ltd.	Dubai, UAE
Qdigi Services Limited	Subsidiary of Quess Corp Ltd.	India
Greenpiece Landscapes India Private Limited	Subsidiary of Quess Corp Ltd.	India
Simpliance Technologies Private Limited	Subsidiary of Quess Corp Ltd.	India
Allsec Technologies Limited	Subsidiary of Quess Corp Ltd.	India
Allsectech Inc., USA	Subsidiary of Quess Corp Ltd.	USA
Allsectech Manila Inc., Philippiness	Subsidiary of Quess Corp Ltd.	Philippines
Retreat Capital Management Inc., USA	Subsidiary of Quess Corp Ltd.	USA
Trimax Smart Infraprojects Private Limited	Subsidiary of Quess Corp Ltd.	India
Quess Corp Services Limited	Subsidiary of Quess Corp Ltd.	Bangladesh
Terrier Security Services (India) Private Limited	Associate of Quess Corp Ltd.	India
Quess East Bengal FC Private Limited	Associate of Quess Corp Ltd.	India
Quess Recruit, Inc.	Associate of Quess Corp Ltd.	Philippines
Agency Pekerjaan Quess Recruit SDN. BHD.	Associate of Quess Corp Ltd.	Malaysia
Himmer Industrial Services (M) SDN. BHD.	Associate of Quess Corp Ltd.	Malaysia

**Merged with Quess Corp Limited w.e.f 1 April 2019 pursuant to approval from the Regional Director, South East Region, MCA.*

VASAN & SAMPATH LLP BANGALORE INDIA

Heptagon Technologies Private Limited Coimbatore

46 **Related party disclosures (continued)**

(A) Name of related parties and description of relationship (continued)

(ii) Key executive management personnel

Rengasamy Vignesh	Director
Veeraraghavan Vijayramkumar	Director
Sankarappan Rajesh	Director
Srinivasan Guruprasad	Director
Vijay Sivaram	Director

(B) Transactions with related parties

(Amount in Rs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations		
-Quess Corp Limited	3,89,43,900	3,05,35,112
-Quess Global Malaysia Sdn BHD	23,79,480	15,82,385
-Brainhunter Systems Limited	2,57,500	19,52,500
-Allsec Technologies Ltd	5,09,360	
-Conneqt Business Solutions Limited	2,97,000	
-Dependo Logistics Solutions Private Limited	16,86,627	15,15,469
-MFX Infotech Private Limited	9,87,900	
-Monster.Com (India) Private Limited	15,04,093	1,05,07,209
-Vedang Cellular Services Pvt Ltd	14,68,500	
-Terrier Security Services (India) Pvt. Ltd.	7,26,008	2,35,550
Other expenses		
-Allsec Technologies Limited	1,17,170	-
-Quess Corp Limited	1,49,509	-
-Quessglobal Malaysia Sdn Bhd	81,856	-
Finance cost		
-Quess Corp Limited	8,60,21,448	6,43,01,836
Investment made in Equity Instruments		
-Terrier Security Services (India) Pvt. Ltd.	64,50,00,000	68,27,27,692
Compensation of key managerial personnel		
Rengasamy Vignesh	23,78,400	21,28,400
Veeraraghavan Vijayramkumar	26,18,400	21,28,400
Sankarappan Rajesh	23,78,400	21,28,400

*The above compensation paid does not include cost of employee benefits such as gratuity and compensated absences since provision for these are based on an actuarial valuation carried out for the Company as a whole.

VASAN & SAMPATH LLP CHARTERED ACCOUNTANTS BANGALORE INDIA

Technologies Private Limited Coimbatore

46 Related party disclosures (continued)

(C) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Trade payables		
-Quess Corp Limited	-	19,076
-Allsec Technologies Limited	3,780	-
Trade receivables		
-Quess Corp Limited	24,20,368	44,15,268
-Quess Global Malaysia Sdn BHD	2,03,701	15,82,385
-Monster.Com (India) Private Limited	-	12,16,339
-Dependo Logistics Solutions Pvt Ltd	1,39,535	3,92,904
-Brainhunter Systems Limited	-	3,37,500
-Conneqt Business Solutions Limited	97,200	-
-Vedang Cellular Services Pvt Ltd	18,290	-
-Terrier Security Services (India) Pvt. Ltd.	4,05,681	75,225
Unbilled revenue		
-Quess Corp Limited	14,10,500	17,79,433
-Brainhunter Systems Limited	-	5,46,750
-Quess Global Malaysia Sdn BHD	-	5,03,213
-Conneqt Business Solutions Limited	33,000	-
-Vedang Cellular Services Pvt Ltd	10,00,000	-
Income received in advance		
-Quess Corp Limited	10,18,930	4,18,500
Borrowings		
-Quess Corp Limited	88,73,58,148	77,57,00,000
Interest payable on loan taken		
-Quess Corp Limited	8,22,22,557	5,78,71,652
Unsecured loan payable		
-Rengasamy Vignesh	2,05,000	2,05,000
-Veeraraghavan Vijayramkumar	28,457	28,457
-Sankarappan Rajesh	82,671	82,671
	3,16,128	**3,16,128**
Accrued Expenses (Remuneration payable)		
-Rengasamy Vignesh	14,02,245	14,18,748
-Veeraraghavan Vijayramkumar	14,55,215	14,21,882
-Sankarappan Rajesh	14,07,772	14,09,419
	42,65,232	**42,50,049**

S SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

Heptagon Technologies Private Limited Coimbatore

47 Earnings and expenditure in foreign currency

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Earning in foreign currency	44,63,234	20,04,413
Expenses in foreign currency	19,02,530	5,85,823

48 **Internally generated intangible asset under development**

As required under Ind AS 38, the mangement has assessed prescribed criteria required for recognition of Intangible assets as under ;
(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
(b) the cost of the asset can be measured reliably.
In respect of development phase of internally generated intangible asset. Disclosures below

Product	People Chain	Focus	Converse
Opening balance	**27,16,455**	-	-
Cost of Development during the year	27,18,911	31,54,314	17,55,548
Cost recovered	(15,00,000)	-	-
Total Cost under development	**39,35,366**	**31,54,314**	**17,55,548**

49 **Segment reporting**

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Company is in the business of rendering Information technology services & Information technology products to clients which are covered under similar arrangements and is considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards.

Geographic information

The geographical information analyses the Company's revenue by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers.

Geographic information	For the year ended 31 March 2020 Revenue
India	5,93,66,529
Other countries:	
- United States of America	27,35,105
- Malaysia	23,79,480
-United Kingdom	12,87,609
-Canada	2,57,500

50 Previous year figures are reclassified/regrouped wherever necessary.

for Vasan & Sampath LLP
Chartered Accountants
Firm's Registration No.: 004542S/ S200070

Unnikrishnan Menon
Partner
Membership No: 205703

Place: Bengaluru
Date: 30th April 2020

VASAN & SAMPATH LLP BANGALORE INDIA CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors of
Heptagon Technologies Private Limited

Rajesh Sankarappan
Director
DIN: 06890226

Place: Coimbatore
Date: 30th April 2020

Vijayramkumar Veeraraghavan
Director
DIN: 07187951

Place: Coimbatore
Date: 30th April 2020

Heptagon Technologies Private Limited Coimbatore

Quess Recruit, Inc.

Financial Statements

March 31, 2020 and 2019

And

Independent Auditors' Report

ADRELIN O. MANANSALA, CPA
Assurance | Tax | Accounting & Business Services

Unit 616 Cityland 10 Tower 1 H.V Dela Costa St.cor.
Valero St.Salcedo Village, Makati city
✉: adrelin.manansala@gmail.com
☎: +632 6255946

INDEPENDENT AUDITORS' REPORT

The Stockholders and Board of Directors
Quess Recruit, Inc.
6F Sd Ty Tower Condo 104 Paseo de Roxas,
San Lorenzo, Legaspi Village, Makati City

Report on the Financial Statements

I have audited the accompanying financial statements of Quess Recruit, Inc. which comprise the statements of financial position as of March 31, 2020 and 2019, and the statements of comprehensive income, statement of changes in equity and statements of cash flows for the years then ended and a summary of significant policies and other explanatory information.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Quess Recruit, Inc. as at March 31, 2020 and 2019 and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am independent of the Corporation in accordance with the Code of Ethics for Professional Accountants in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standard (PFRS) for Small Entities (SEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs 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 based on these financial statements.

As part of an audit in accordance with PSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- 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 Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- I 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 I identify during my audit.

Report on the Supplementary Information Required Under Revenue Regulations 19-2011 and 15-2010

My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 19-2011 and 15-2010 for purpose of filing with the Bureau of Internal Revenue is presented by the management of Quess Recruit, Inc. in a separate schedule. Revenue Regulations 19-2011 and 15-2010 require the information to be presented in the notes to financial statements. Such information is not a required part of the basic financial statements. The information is also not required by Securities Regulation Code Rule No. 68. Our opinion on the basic financial statements is not affected by the presentation of the information in the separate schedule.

Manansala

Adrelin O. Manansala, CPA

CPA License No. 136329
Tax Identification No. 408-899-755
BOA Certificate No. 5882
September 18, 2017 valid until June 25, 2020
BIR Accreditation No. 08-006415-001-2019
March 06, 2019 valid until March 05, 2022
PTR No. 0065031 January 10, 2020, Makati City

Makati City, Philippines
May 11, 2020

ADRELIN O. MANANSALA, CPA
Assurance | Tax | Accounting & Business Services

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☎: +632 6255946

INDEPENDENT AUDITORS' REPORT

The Stockholders and Board of Directors
Quess Recruit, Inc.
6F Sd Ty Tower Condo 104 Paseo de Roxas,
San Lorenzo, Legaspi Village, Makati City

I have audited the financial statements of Quess Recruit, Inc. (the Company) for the years ended March 31, 2020 and 2019, on which I have rendered the attached report dated May 11, 2020.

In compliance with Securities Regulation Code Rule No. 68, I am stating that the Company has six (6) stockholder owning one hundred (100) or more shares each.

Adrelin O. Manansala, CPA

CPA License No. 136329
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INDEPENDENT AUDITORS' REPORT

The Stockholders and Board of Directors
Quess Recruit, Inc.
6F Sd Ty Tower Condo 104 Paseo de Roxas,
San Lorenzo, Legaspi Village, Makati City

I have audited the financial statements of Quess Recruit, Inc. (the Company) for the years ended March 31, 2020 and 2019, on which I have rendered the attached report dated May 11, 2020.

In compliance with Revenue Regulations V-20, I am stating that I am not related by consanguinity or affinity to the president, manager or principal stockholder of the Company.

Manansala

Adrelin O. Manansala, CPA

CPA License No. 136329
Tax Identification No. 408-899-755
BOA Certificate No. 5882
September 18, 2017 valid until June 25, 2020
BIR Accreditation No. 08-006415-001-2019
March 06, 2019 valid until March 05, 2022
PTR No. 0065031 January 10, 2020, Makati City

Makati City, Philippines
May 11, 2020

ADRELIN O. MANANSALA, CPA
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INDEPENDENT AUDITORS' REPORT TO ACCOMPANY INCOME TAX RETURN

The Stockholders and Board of Directors
Quess Recruit, Inc.
6F Sd Ty Tower Condo 104 Paseo de Roxas,
San Lorenzo, Legaspi Village, Makati City

In compliance with the Revenue Regulation V-20, I am stating the following:

1.) The taxes paid or payable by the above Company during the year are shown in the schedule of Taxes and Licenses attached to the income tax return.

2.) I have no financial interest in the said Company.

Adrelin O. Manansala, CPA

CPA License No. 136329
Tax Identification No. 408-899-755
BOA Certificate No. 5882
September 18, 2017 valid until June 25, 2020
BIR Accreditation No. 08-006415-001-2019
March 06, 2019 valid until March 05, 2022
PTR No. 0065031 January 10, 2020, Makati City

Makati City, Philippines
May 11, 2020

QUESS RECRUIT, INC.
STATEMENT OF FINANCIAL POSITION
As of March 31, 2020 and 2019
(Amounts in Philippine Pesos)

	Note	2020	2019
ASSETS			
Current Assets			
Cash in bank	4	**1,442,679**	157,070
Accounts and other receivables	5	**10,776,081**	4,835,805
Other current assets	6	**116,499**	42,829
Total Current Assets		**12,335,259**	5,035,704
Non-Current Assets			
Due from related party	7	**7,879,409**	593,362
Total Non-Current Asset		**7,879,409**	593,362
Total Assets		**20,214,668**	5,629,066
LIABILITIES AND PARTNERS' CAPITAL			
Current Liability			
Accounts and other payables	8	**2,271,307**	176,820
Income tax payable	9	**2,473,785**	1,108,427
Total Current Liabilities		**4,745,092**	1,285,247
Total Liabilities		**4,745,092**	1,285,247
Equity			
Capital stock		**1,000,000**	1,000,000
Retained earnings		**14,469,576**	3,343,819
Total Equity		**15,469,576**	4,343,819
Total Liabilities and Equity		**20,214,668**	5,629,066

See accompanying Notes to Financial Statements.

QUESS RECRUIT, INC.

STATEMENT OF COMPRHENSIVE INCOME
For the years ended March 31, 2020 and 2019
(Amounts in Philippine Pesos)

	Note	2020	2019
REVENUES		**15,376,625**	6,867,961
COST OF SERVICES	10	**784,264**	1,001,169
GROSS INCOME		**14,592,361**	5,866,792
GENERAL AND ADMINISTRATIVE EXPENSES	11	**839,979**	735,572
INCOME BEFORE TAX		**13,752,382**	5,131,220
INCOME TAX EXPENSE	9	**(2,626,625)**	(1,545,739)
NET INCOME		**11,125,757**	3,585,481
OTHER COMPREHENSIVE INCOME NET OF TAX		**–**	**–**
TOTAL COMPREHENSIVE INCOME		**11,125,757**	3,585,481

See accompanying Notes to Financial Statements.

QUESS RECRUIT, INC.
STATEMENT OF CHANGES IN EQUITY
For the years ended March 31, 2020 and 2019
(Amounts in Philippine Pesos)

	2020	2019
CAPITAL STOCK		
Authorized – 160,000 shares at 100 par value		
Subscribed - 40,000 shares at 100 par value	**4,000,000**	4,000,000
Subscription receivable	**(3,000,000)**	(3,000,000)
Total Paid-up Capital	**1,000,000**	1,000,000
Accumulated Income		
At beginning of period	**3,343,819**	(241,662)
Total comprehensive income for the period	**11,125,757**	3,585,481
At end of period	**14,469,576**	3,343,819
	15,469,576	4,343,819

See accompanying Notes to Financial Statements.

QUESS RECRUIT, INC.

STATEMENTS OF CASH FLOWS
For the years ended March 31, 2020 and 2019
(Amounts in Philippine Pesos)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before tax	**13,752,382**	5,131,220
Decrease (increase) in:		
Account receivables	**(5,940,276)**	(3,210,448)
Other current assets	**(73,670)**	(610,593)
Increase (decrease) in:		
Accounts and other payables	**2,094,487**	(433,510)
Net cash flow generated from operations	**9,832,923**	876,669
Taxes paid	**(1,261,267)**	–
Net cash flows provided by operating activities	**8,571,656**	876,669
CASH FLOWS FROM INVESTING ACTIVITIES		
Due from related party	**(7,286,047)**	(1,381,362)
Net cash flows used in investing activities	**(7,286,047)**	(1,381,362)
NET INCREASE (DECREASE) IN CASH IN BANK	**1,285,609**	(504,693)
CASH IN BANK AT BEGINNING OF YEAR	**157,070**	661,763
CASH IN BANK AT END OF YEAR	**1,442,679**	157,070

See accompanying Notes to Financial Statements.

1. GENERAL INFORMATION

Quess Recruit, Inc. (the "Company") was registered with the Philippine Securities and Exchange Commission (SEC) on January 03, 2017 with primary purpose to carry on the business of development of internet and internet solutions including selection and implementation of the right solutions, development of static, dynamic content and CGI from concept to installation and development of specialized quality assurance methodology including module and regression, testing, automation of rest procedures based on client requirements and set up and management of help desks deriving innovative help desk solutions for all support related work, without engaging in telecommunication and internet provide services.

The address of its registered office is 6F Sd Ty Tower Condo 104 Paseo de Roxas, San Lorenzo, Legaspi Village, Makati City

The financial statements were authorized for issue by the the Board of Directors on May 11, 2020.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

<u>Statement of Compliance</u>
The Company is a first-time adopter of Philippine Financial Reporting Standards for Small Entity (PFRS for SE) and the Company sets out the following procedures that an entity must follow when it adopts PFRS for SE for the first time as the basis for preparing its general-purpose financial statements.

a) The Company, in its opening statement of financial position as of its date of transition to PFRS for SE shall:

- recognize all assets and liabilities whose recognition is required by the PFRS for SE
- not recognize items as assets or liabilities if the PFRS for SE does not permit such recognition
- reclassify items that it recognized under PFRS for SME as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity under the PFRS for SE
- apply the PFRS for SE in measuring all recognized assets and liabilities.

b) The accounting policies that an entity uses in its opening statement of financial position under the PFRS for SE may differ from those that it used for the same date using its previous financial reporting framework. The resulting adjustments arise from transactions, other events or conditions before the date of transition to the PFRS for SE. Therefore, the Company shall recognize those adjustments directly in retained earnings (or, if appropriate, another category of equity) at the date of transition to the PFRS for SE

c) On first-time adoption of the PFRS for SE, the Company shall not retrospectively change the accounting that it followed under the PFRS for SME for either of the following transactions:

- Derecognition of financial assets and financial liabilities. Financial assets and liabilities derecognized under the PFRS for SME before the date of transition should not be recognized upon adoption of the PFRS for SE.
- Conversely, for financial assets and liabilities that would have been derecognized under the PFRS for SE in a transaction that took place before the date of transition, but that were not derecognized under the PFRS for SME, the Company may choose to derecognize them on adoption of the PFRS for SE or to continue to recognize them until disposed of or settled.

d) The Company may use one or more of the following exemptions in preparing its first financial statements that conform to the PFRS for SE

- Fair value as deemed cost. A first-time adopter may elect to measure an item of property, plant and equipment on the date of transition to the PFRS for SE at its fair value and use that fair value as its deemed cost at that date.
- Revaluation as deemed cost. A first-time adopter may elect to use a previous revaluation of an item of property, plant and equipment at, or before, the date of transition to the PFRS for SE as its deemed cost at the revaluation date.
- Deferred income tax. A first-time adopter is not required to recognize, at the date of transition to the PFRS for SE, deferred tax assets or deferred tax liabilities relating to differences between the tax basis and the carrying amount of any assets or liabilities for which recognition of those deferred tax assets or liabilities would involve undue cost or effort.
- Arrangements containing a lease. A first-time adopter may elect to determine whether an arrangement existing at the date of transition to the PFRS for SE contains a lease on the basis of facts and circumstances existing at that date, rather than when the arrangement was entered into).

e) If it is impracticable for the Company to restate the opening statement of financial position at the date of transition for one or more of the adjustments required, the Company shall apply for such adjustments in the earliest period for which it is practicable to do so.

<u>Basis of Preparation</u>
The financial statements of the Company have been prepared on under cost and are presented in Philippine Peso, which is the Company's functional and presentation currency. All values represent absolute amounts except when otherwise indicated.

Moreover, the financial statements have been prepared in compliance with the Philippine Financial Reporting Standard (PFRS) for Small Entities (SEs) issued by the Philippine Financial Reporting Standards Council.

<u>Use of Judgments and Estimates</u>
The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the, Company's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an on-going basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

<u>Going Concern Assumption</u>
The Company is not aware of any significant uncertainties that may cast doubts upon the Company's ability to continue as a going concern.

3. **SIGNIFICANT OF ACCOUNTING POLICIES**

Principal accounting and financial reporting policies applied by the Company in the preparations of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

Financial Instruments

Financial assets and financial liabilities are recognized initially at transaction price. After initial recognition, basic financial assets and basic financial liabilities are measured at amortized cost less impairment except for investments in non-convertible and non-puttable preference shares and non-puttable ordinary shares that are publicly traded or whose fair value can otherwise be measured reliably, which are measured at fair value with changes in fair value recognized in profit or loss.

Financial Assets

Financial assets are classified as either 'basic financial assets' or 'other financial assets'.

a) Basic Financial Assets

The Company recognizes basic financial assets only when the entity becomes a party to the contractual provisions of the instrument.

Financial assets include cash, account and other receivables, and due from related party.

- Cash are measured at face value. Cash includes cash in banks and petty cash fund.
- Accounts and other receivables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Bad debts are written-off when identified The allowance for impairment loss is the estimated amount of probable losses arising from non-collection based on past collection experience and management's review of the current status of the long-outstanding receivables.

  Other receivables consist of advances to officers and employees.

- Due from related parties include receivable to its shareholders. These are initially recognized at transaction price, that is, the present value of cash payable to shareholders and subsequently measured at amortized costs using the effective interest method.

b) Impairment of Financial Assets

At the end of each reporting period, the Company assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortized cost. If there is objective evidence of impairment, the Company recognizes an impairment loss in profit or loss immediately.

The Company assesses all equity instruments regardless of significance individually for impairment. For other financial assets, the Company assesses impairment either individually or grouped on the basis of similar credit risk characteristics.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;

- the creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the creditor would not otherwise consider;
- it has become probable that the debtor will enter bankruptcy or other financial reorganization; and
- observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions.

Other factors may also be evidence of impairment, including significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates.

For instruments measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

c) Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or are settled, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the Company derecognizes the asset and any rights and obligations retained or created in the transfer.

<u>Other Current Asset</u>
Other current asset includes input tax and prepaid expense. These are measured initially at transaction price and subsequently measured at cost less any impairment losses, if any.

<u>Impairment of Non-financial Assets Other than Inventories</u>
At each reporting date, the Company assesses whether there is any indication that any of its non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or cash-generating is estimated to be less than its carrying amount, the carrying amount of the assets or cash generating unit is reduced to its recoverable amount. An impairment less is recognized as an expense.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income.

Financial Liabilities

Financial liabilities are initially measured at transaction price inclusive of directly attributable transaction costs. They are classified as either financial liabilities 'at fair value through profit and loss', or 'at amortized cost'.

a) Financial Liabilities at Amortized Cost

Financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Financial liabilities consist of accounts and other payables.

- Accounts payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. These are unsecured, non-interest bearing and short term in nature. Accounts payables are initially recognized at transaction price and subsequently measured at their amortized cost using effective interest method.

b) Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or expired.

Any difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed is recognized in profit or loss.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously

Other Current Liabilities

Other current liabilities include statutory obligation as of the end of the period such as customer advances, withholding tax payable and SSS, PHIC and HDMF payable. These are measured at their transaction cost.

Equity

a) Share Capital

Ordinary shares are classified as equity using the par value of shares that have been issued. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction form the proceeds, net of tax. The costs of acquiring Company's own shares are shown as a deduction from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects and are included in equity attributable to the Company's equity holders.

b) Retained Earnings

Retained earnings includes all current and prior period results of operations as disclosed in the statements of income attributable to the Company's stockholders and reduced by dividends.

<u>Revenue Recognition</u>

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is the gross inflow of economic benefits (cash, receivables, other assets) arising from the ordinary operating activities of an enterprise. Revenue is shown net of value added tax (VAT), discounts, returns, and rebates. The following specific recognition criteria must also be met before revenue is recognized:

a) Service Income

Service income is recognized in the accounting period in which the services are rendered by reference to stage of completion of the specific transactions and assessed on the basis of the actual service provided as a proportion of the total services provided.

<u>Cost and Expense Recognition</u>

Cost and expenses are recognized in the statements of income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Cost and expenses are recognized in the statements of income on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Cost and expenses in the statements of income are presented using the function expense method. Administrative expenses are costs attributable to administrative activities of the Company.

<u>Borrowing Costs</u>

Borrowing costs, if any, are recognized as an expense in profit or loss in the period in which they are incurred.

<u>Employees Benefits</u>

a) Short-term Benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and other non-monetary benefits, if any.

b) Long-term Benefits

The Company is yet to provide retirement benefits to its employees as it believes that none of its employees would stay until their retirement. This assessment was made on the basis of the high turnover rate of its employees and of their average stay of one (1) to three (3) years. In 2018 and 2017, no employee yet is qualified for retirement benefits as provided for under provision of R.A. 7641, The Retirement Law. Management believes that non-provision of the retirement benefits has no material effect in the financial position and financial performance of the Company.

Income Taxes

The tax expense for the period comprises current. Tax is recognized in the profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

a) Current Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Provisions and Contingencies

a) Provisions

Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and the reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

b) Contingent Liabilities and Assets

Contingent liabilities and assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

Related Party Disclosures

a) Related Parties

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions.

b) Related Party Transactions

The key management personnel of the Company and post-employment benefit plans for the benefit of Company's employees, if any, are also considered to be related parties.

The Company's related parties include the Company's Key Management. The compensation of the key management personnel of the Company pertains to the usual monthly salaries and government mandated bonuses; there are no other special benefits paid to management personnel.

3.19 Events after the end of the Reporting Period

Post-year-end events up to the date of the auditor's report that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

4. Cash in Bank

Cash in bank consist of deposit accounts with local financial institutions. Cash in bank earns interest at the prevailing bank deposit rates.

5. Accounts and Other Receivables

This account consists of:

	2020	2019
Account receivables	**10,234,174**	4,293,898
Advances to officers and employees	**541,907**	541,907
Total	**10,776,081**	4,835,805

6. Other Current Assets

This account consists of:

	2020	2019
Input VAT	**69,376**	11,891
Prepaid expense	**47,123**	30,938
Total	**116,499**	42,829

7. **Related Party Transactions**

In the normal course of business, the Company has made advances to its stockholders for financial support to the operations. The balance of advances to/ from stockholders as of March 31, 2020 and 2019 amounts to 7,879,222 and 593,362, respectively. These advances are non-interest bearing with no fixed-repayment terms and unsecured. These advances will be settled in cash.

8. **Accounts and Other Payables**

This account consists of:

	2020	2019
Customer advances	**1,675,917**	–
Accounts and accrued payables	**503,616**	160,135
Government dues	**91,774**	16,685
Total	**2,271,307**	176,820

9. **Income Taxes**

The income tax expense in 2020 and 2019 pertains to deductible temporary differences. The components of the Company's income tax expense are as follow:

	2020	2019
Gross income	**14,592,361**	5,866,792
Itemized deduction	**–**	(735,572)
Optional Standard deduction (40%)	**(5,836,944)**	–
Net Income Before Tax	**8,755,417**	5,131,220
Add (deduct) reconciling items:		
Penalty expense	–	21,243
NOLCO utilization	–	(345,437)
Taxable income	**8,755,417**	4,807,026
Income tax rate	**30%**	30%
Provision for income tax - current	**2,626,625**	1,442,108
Provision for income tax - deferred	–	103,631
Income Tax Expense	**2,626,625**	1,545,739

The rollforward analyses on income tax payable follows:

	2020	2019
Income tax payable, beginning	**1,108,427**	1,442,108
Income tax payable – current period	**2,626,625**	–
Payment of income tax	**(1,108,427)**	(207,105)
Creditable withholding tax applied	**(152,840)**	(126,576)
Income tax payable, end	**2,473,785**	1,108,427

Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used. The Company has not recognized a valuation allowance against the deferred tax assets because on the basis of past years and future expectations, management considers it probable that taxable profits will be available against which the future income tax deductions can be utilized.

10. **Cost of Services**

This account consists of:

	2020	2019
Salaries and wages	**742,703**	856,319
13th month and other benefits	**21,171**	122,546
SSS, PHIC and HDMF contributions	**20,390**	22,304
Total	**784,264**	1,001,169

11. **General and Administrative Expense**

This account consists of:

	2020	2019
Professional fees	**388,525**	283,000
Penalty expense	**120,106**	21,243
Transportation and travel	**110,241**	151,445
Insurance expense	**92,171**	25,578
Director's fee	**55,500**	100,000
Audit fees	**55,000**	85,000
Communication	**16,032**	15,286
Bank charges	**1,903**	3,465
Taxes and licenses	**500**	10,811
Miscellaneous expense	**1**	–
Membership fee	**–**	39,744
Total	**839,979**	735,572

12. **Supplementary Information Required by RR 15-2010 and RR 19-2011 of the Bureau of Internal Revenue**

The following taxes were paid/reported by the Company in 2020:

As at and for the year ended March 31, 2020 the Company reported and paid the following taxes.

Value Added Tax (VAT)
The Company's sales are subject to output VAT while its expenses from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

a. VAT output declared in the Company's VAT returns

	Net Receipts	Output VAT
VAT-able receipts	1,040,250	199,602
Zero rate sales	8,544,156	–
	9,584,406	199,602

On sale of service, output VAT is based on gross receipt derived from sale or exchange of services. The Company declares output VAT based on collection.

b. Details of VAT input declared in the Company's VAT returns

	Input VAT
Purchases of capital goods	–
Domestic purchase/payments for goods and Services	72,484
Total	72,484

Withholding Taxes
Details of taxes withheld for the year ended March 31, 2020 follow:

	Amount
Expanded withholding tax	–
Compensation withholding tax	79,097.55

The Company's schedules for the year ended March 31, 2020 follows:

Sale of service
The Company has revenue for the year ended March 31, 2020 amounting to 15,376,625. The Company's revenues are subject to the regular income tax rate of 30%.

Cost of services
The Company has cost of services for the year ended March 31, 2020 amounting to 784,264. The Company's cost of services is subject to the regular income tax rate of 30%.

Non-operating and taxable other income
The Company has no non-operating taxable other income during the year.

Optional standard deductions
The Company has availed the 40% optional standard deduction for taxable year 2020.

The Company's optional standard deductions are subject to the regular income tax rate of 30%.

Other Taxes and Licenses
The Company did not incur any excise tax, import duties and real estate tax for the year ended March 31, 2020.

Details of other taxes and licenses paid by the Company for the year ended December 31, 2020 follow:

	Amount
BIR annual registration fee	500

Tax Assessments and Cases
The Company has no pending tax assessments and cases with the Bureau of Internal Revenue

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(formerly known as Agency Pekerjaan Quess Recruit Sdn Bhd)
(Incorporated in Malaysia)

REPORTS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(formerly known as Agency Pekerjaan Quess Recruit Sdn Bhd)
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31st March 2020.

CHANGE OF NAME

On 29th April 2019, the Company changed its name from Agency Pekerjaan Quess Recruit Sdn Bhd to Agensi Pekerjaan Quess Recruit Sdn Bhd.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to carry on the business as private employment agency, to recruit and place a worker to another employer. However, the Company has not commenced operation during the financial year.

FINANCIAL RESULTS

	RM
Net loss for the financial year	(108,102)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES

The Company did not issue any new shares during the financial year.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Guruprasad Srinivasan
Kogilavani a/p Periyasamy
Muhunthan a/l Krishnan
Vijay Sivaram

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit by reason of a contract made by the Company or by a related corporation with the director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object was to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES

According to the register of directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, the interest of directors in office at the end of the financial year in shares in the Company were as follows:-

	Number of Ordinary Shares			
	As at 1.4.2019	**Bought**	**Sold**	**As at 31.3.2020**
Kogilavani a/p Periyasamy	62,500	-	-	62,500
Muhunthan a/l Krishnan	65,000	-	-	65,000

No other directors held any interest in shares in the Company during and at the end of the financial year.

DIRECTORS' REMUNERATION

No director's remuneration was paid or payable for directors and past directors of the Company during the financial year.

No indemnities have been given or insurance premium paid for director or officers of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts have been written off and adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realized in the ordinary course of business including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

At the date of this report, there does not exist:

(a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability in respect of the Company which has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the respective financial statements misleading.

In the opinion of the directors:

(a) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

Total amount paid to or receivable by auditors as remuneration for their services as auditors is disclosed in Note 10 to the financial statements.

There are no indemnity and insurance purchased for the auditors of the Company during the financial year.

Company Registration No: 201801003383 (1265396 M)

AUDITORS

The auditors, Messrs HALS & Associates have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 22 MAY 2020

Signed on behalf of the Board of Directors

GURUPRASAD SRINIVASAN) Directors

VIJAY SIVARAM)

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(formerly known as Agency Pekerjaan Quess Recruit Sdn Bhd)
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2020

	Note	2020 RM	2019 RM
ASSETS			
CURRENT ASSETS			
Deposit		250,000	-
Cash and cash equivalents	7	1,935	251,985
Total current assets		251,935	251,985
TOTAL ASSETS		251,935	251,985
EQUITY			
Share capital	8	250,000	250,000
Accumulated losses		(116,981)	(8,879)
Total equity		133,019	241,121
CURRENT LIABILITIES			
Other payables and accruals		4,663	3,219
Amount due to a related party	9	114,253	7,645
Total current liabilities		118,916	10,864
TOTAL LIABILITIES		118,916	10,864
TOTAL EQUITY AND LIABILITIES		251,935	251,985

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 16.

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(formerly known as Agency Pekerjaan Quess Recruit Sdn Bhd)
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2020

	Note	1.4.2019 To 31.3.2020 RM	23.1.2018 To 31.3.2019 RM
REVENUE		-	-
Administrative expenses		(108,102)	(8,879)
Loss before taxation	10	(108,102)	(8,879)
Taxation	11	-	-
Loss for the year/period		(108,102)	(8,879)

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 16.

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(formerly known as Agency Pekerjaan Quess Recruit Sdn Bhd)
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2020

	Share Capital RM	Accumulated Losses RM	Total Equity RM
Balance at 23rd January 2018 (Date of incorporation)	100	-	100
Transactions with owners of the Company			
Issue of share capital	249,900	-	249,900
Total transactions with owners of the Company	249,900	-	249,900
Non-owner changes in equity			
Loss for the period	-	(8,879)	(8,879)
Total comprehensive loss for the period	-	(8,879)	(8,879)
Balance at 31st March 2019	250,000	(8,879)	241,121
Non-owner changes in equity			
Loss for the year	-	(108,102)	(108,102)
Total comprehensive loss for the year	-	(108,102)	(108,102)
Balance at 31st March 2020	250,000	(116,981)	133,019

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 16.

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(formerly known as Agency Pekerjaan Quess Recruit Sdn Bhd)
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2020

	Note	1.4.2019 To 31.3.2020 RM	23.1.2018 To 31.3.2019 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(108,102)	(8,879)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES		(108,102)	(8,879)
Increase in receivables		(250,000)	-
Increase in payables		108,052	10,864
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		(250,050)	1,985
CASH FLOW FROM FINANCING ACTIVITY			
Issue of share capital		-	250,000
NET CASH GENERATED FROM FINANCING ACTIVITY		-	250,000
Net decrease in cash and cash equivalents		(250,050)	-
Cash and cash equivalents at beginning of the year/period		251,985	251,985
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	7	1,935	251,985

The above statement is to be read in conjunction with the notes to the financial statements on pages 9 to 16.

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(formerly known as Agency Pekerjaan Quess Recruit Sdn Bhd)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2020

1. GENERAL

The financial statements of the Company are presented in Ringgit Malaysia (RM) which is the Company's functional currency. All financial information is presented in RM.

The Company was incorporated and domiciled in Malaysia as a private company limited by shares. It is resident in Malaysia with its registered office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur and the principal place of business at Unit 25-13A, Level 25, Q Sentral, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are to carry on the business as private employment agency, to recruit and place a worker to another employer. However the Company has not commenced operation during the financial year.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") issued by Malaysian Accounting Standards Board's ("MASB") and the provisions of the Companies Act 2016.

4. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements of the Company have been approved by the Board of Directors for issuance on...2 2 MAY 2020.....

5. BASIS OF PREPARATION

5.1 Basis of Measurement

The financial statements of the Company have been prepared using cost bases (which include historical cost and amortised cost) and fair value bases.

5.2 Critical Judgements and Estimates Uncertainty

The preparation of the financial statements in conformity with MPERS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognized in the financial statements other than as disclosed below:-

A. Estimation Uncertainty

(a) **Measurement of Income Taxes**

Significant judgement is required in determining the Company's provision for current and deferred taxes because the ultimate tax liability for the Company as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities in each jurisdiction, the amounts might be different for the initial estimates of the taxes payables. Such differences may impact the current and deferred taxes in the period where such determination is made. The Company will adjust for the differences as over or under provision of current or deferred taxes in the current period in which those differences arise.

6. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Initial recognition and measurement

A financial asset or financial liability is recognised in the statement of financial position when, and only when the Company becomes a party to the contractual provisions of the instruments.

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through profit or loss, transaction cost are expensed to profit or loss when incurred) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instruments.

(ii) Subsequent measurement

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely: (i) financial assets at fair value through profit or loss, and (ii) financial assets at amortised costs.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 6a(v).

After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method.

(iii) Fair Value Measurement of Financial Instruments

All other financial assets or liabilities not measured at amortised cost or cost less impairment are measured at fair value with changes recognised in profit or loss.

The fair value is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique.

(iv) **Recognition of Gains and Losses**

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognized in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognized in profit or loss only when the financial asset or financial liability is derecognized or impaired, and through the amortization process of the instruments.

(v) **Impairment and Uncollectibility of Financial Assets**

The Company applies the incurred loss model to recognise impairment losses of financial assets. At the end of each reporting period, the Company examines whether there is any objective evidence that a financial asset (except for financial assets measured at fair value through profit or loss) or a group of financial assets is impaired.

An impairment loss is measured as follows:-

* For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

* For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

(vi) **Derecognition**

A financial asset or part of it is derecognized when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of financial asset, the difference between the carrying amount of the financial asset derecognized and the consideration received, including any newly created rights, and obligations, is recognized in profit or loss.

A financial liability or part of it is derecognized when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(b) **Equity instruments**

Ordinary shares classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(c) **Income Tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is provided by the balance sheet liability method based on all taxable temporary differences by comparing carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax is not recognized if the temporary differences arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time the transaction, affects neither accounting profit nor taxable profits.

Deferred tax is measured at the tax rates that is expected to be applied to the temporary differences when they reverse, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credit can be utilized.

Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realized simultaneously.

(d) **Employee Benefits**

(i) **Short term employee benefits**

Short term employee benefits in respect of wages, salaries, social security contributions, paid annual leaves, paid sick leaves, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed in the financial period when employees have rendered their services to the Company.

Bonuses are recognised as an expense when there is a present, legal or constructive obligations to make such payments, as a result of past services provided by employees and when a reliable estimate can be made of the amount of the obligations.

(ii) **Defined contribution plan**

The Company makes contributions to a statutory provident fund and recognise the contribution payable as an expense in the financial year in which the employees render their services. Once the contributions have been paid, the Company have no further payment obligations.

(e) **Cash and Cash Equivalents**

Cash and cash equivalents consists of cash in hand, bank balances, deposits with bank and highly liquid investments with maturing within three months from the date of acquisition which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

7. **CASH AND CASH EQUIVALENTS**

	2020	**2019**
	RM	**RM**
Cash at bank	1,935	251,985

8. **SHARE CAPITAL**

	2020	**2019**	**2020**	**2019**
	No.	**No.**	**RM**	**RM**
Issued and fully paid:				
Ordinary shares				
At beginning of the year/period	250,000	100	250,000	100
Add: Issued during the year/period	-	249,900	-	249,900
At end of the year/period	250,000	250,000	250,000	250,000

9. **AMOUNT DUE TO A RELATED PARTY**

The amount due to a shareholder represent loan/advances made, are unsecured, interest free and payable on demand.

10. LOSS BEFORE TAXATION

	1.4.2019 To 31.3.2020 RM	23.1.2018 To 31.3.2019 RM
Loss from operations before taxation is stated after charging:-		
Audit fee	2,000	2,000
Employee benefits		
- salary cost and others	86,017	-
- defined contribution plan ("EPF")	10,131	-

11. TAXATION

There is no charge to taxation as the Company had no chargeable income during the financial year/period.

The tax rate is 24% on the chargeable income of the Company.

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:-

	1.4.2019 To 31.3.2020 RM	23.1.2018 To 31.3.2019 (Restated) RM
Loss before taxation	(108,102)	(8,879)
Taxation at Malaysian Statutory tax rate of 24%	(25,944)	(2,131)
Expenses not deductible for tax purposes	25,944	2,131
Tax expense for the year/period	-	-

The above are subject to the approval of the tax authorities.

12. FINANCIAL INSTRUMENTS

12.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorized as follows:-

(a) Financial assets and financial liabilities measured at amortised cost ("AC").

2020	**Carrying**	
Financial assets	**Amount**	**AC**
	RM	**RM**
Deposit	250,000	250,000
Cash and cash equivalents	1,935	1,935
	251,935	251,935
Financial liabilities		
Other payables and accruals	4,663	4,663
Amount due to a related party	114,253	114,253
	118,916	118,916

2019	**Carrying**	
Financial assets	**Amount**	**AC**
	RM	**RM**
Cash and cash equivalents	251,985	251,985
Financial liabilities		
Other payables and accruals	3,219	3,219
Amount due to a related party	7,645	7,645
	10,864	10,864

13. EMPLOYEES

The number of employees at end of the financial year/period is as follows:

	2020 No.	2019 No.
Employees	3	-

14. GOING CONCERN

(a). At the year end, the Company has accumulated losses of RM116,981. The Company has incurred a net loss of RM108,102 during the financial year.

The financial statements of the Company have been prepared on a going concern basis in view of:-

(i) realisation of assets by the Company is expected to be undertaken in the ordinary course of business; and

(ii) the Company is not expected to discontinue in the foreseeable future.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

(b). On 16th March 2020, Malaysia Government had announced the imposition of Movement Control Order("MCO") nationwide to curb spreading of COVID-19 in Malaysia, pursuant to the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1987. The MCO was succeeded by Conditional Movement Control Order ("CMCO") on 4th May 2020 which has not been lifted todate.

Before these financial statements were made out, the Board of Directors had considered the impact of COVID-19 outbreak in Malaysia, which would have affected the financial position, performance and cash flow of the Company as ended on the reporting date thereon.

The Management concluded that the impact of the events from this Covid-19 outbreak has not significantly affected the fair value of the financial assets/liabilities of the Company that were presented on the reporting date.

Given the current economic circumstances, it was difficult for the Management to ascertain the financial position, performance and cash flow of the Company for the period ending on the next 12 months from the date of this report. Despite facing such challenge, the Company is currently implementing operational measures to lower the operating cost structure by adopting a mid term strategy. The shareholders/directors and a related party have also indicated their willingness to provide continuous financial support to the Company in order to meet its payment obligation of the debts, as when they fall due within the next twelve months from the date of this report.

Company Registration No: 201801003383 (1265396 M)

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(formerly known as Agency Pekerjaan Quess Recruit Sdn Bhd)
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2)
OF THE COMPANIES ACT 2016**

We, GURUPRASAD SRINIVASAN and VIJAY SIVARAM being the directors of AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD., do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 5 to 16 are drawn up so as to give a true and fair view of the financial position of the Company as at 31st March 2020 and financial performance of the Company for the financial year ended 31st March 2020 in accordance with the Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated

22 MAY 2020

GURUPRASAD SRINIVASAN

VIJAY SIVARAM

**STATUTORY DECLARATION PURSUANT TO SECTION 251(1)
OF THE COMPANIES ACT 2016**

I, VIJAY SIVARAM, Passport. No. Z 3290208, the director primarily responsible for the financial management of AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD., do solemnly and sincerely declare that the financial statements set out on pages 5 to 16 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Notaries Act 1952.

Subscribed and solemnly declared by the abovenamed at

Before me,

VIJAY SIVARAM

SWORN TO BEFORE ME

B.M. CHANDRASHEKAR
Advocate & Notary Public
47, B.D.A. Complex, Koramangala,
BANGALORE - 560 034.

22 MAY 2020

B.M. CHANDRASHEKAR NOTARY BANGALORE No. LAW 408 LCL 98 GOVT. OF KARNATAKA

HALS & Associates
Chartered Accountants
AF No: 0755

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(formerly known as Agency Pekerjaan Quess Recruit Sdn Bhd)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Agensi Pekerjaan Quess Recruit Sdn Bhd which comprise the statement of financial position as at 31st March 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 5 to 16.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2020 and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Suite 1602, 16th Floor, Wisma Lim Foo Yong, 86 Jalan Raja Chulan, 50200 Kuala Lumpur
Tel :03-21105545/27320322(Hunting) Fax :03-21423116

Company Registration No: 201801003383 (1265396 M)

Material Uncertainty Related to Going Concern

We draw attention to Note 14 to the financial statements which indicates that the Company has incurred a net loss of RM108,102 during the financial year.

It is also stated in Note14 in the financial statements, the situation of Malaysian Government imposing the Movement Control Order ("MCO") due to an outbreak of COVID -19 in the country. This MCO began on 18th March 2020, and it was succeeded by Conditional Movement Control Order ("CMCO") which has not been lifted to date. All these events or conditions or any subsequent uncertain event or circumstance, along with other matters as outlined in Note 14, have restricted the Company's ability to ascertain the impact of any future event that could affect the financial position, performance and cash flow of the Company for a next twelve months period from the date of this report. As such the Company's ability to continue as a going concern could be affected. The Company is currently implementing operational measures to lower the operating cost structure by adopting mid term strategy. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement on auditing 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 approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

* Identify and assess the risks of material misstatement of the financial statements of the Company, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

* Conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

* Evaluate the overall presentations, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HALS & ASSOCIATES
A.F. 0755
CHARTERED ACCOUNTANTS

Lim Kian Keong
Bil 02043/09/2020 J
Partner

KUALA LUMPUR

DATE: 22 MAY 2020

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(formerly known as Agency Pekerjaan Quess Recruit Sdn Bhd)
(Incorporated in Malaysia)

The page which follows does not

form part of the Statutory

financial statements of the Company

AGENSI PEKERJAAN QUESS RECRUIT SDN. BHD.
(formerly known as Agency Pekerjaan Quess Recruit Sdn Bhd)
(Incorporated in Malaysia)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2020

	1.4.2019 To 31.3.2020 RM	23.1.2018 To 31.3.2019 RM
REVENUE	-	-
Less: ADMINISTRATIVE EXPENSES		
Audit fee	2,000	2,000
Bank charges	61	15
Claims	166	-
EPF, Socso and EIS	11,558	-
Filing and secretarial fee	7,231	6,650
License fee	500	-
Identification fee	150	-
Printing and stationery	659	214
Tax fee	1,187	-
Salary and allowance	84,590	-
	108,102	8,879
LOSS BEFORE TAXATION	(108,102)	(8,879)

QUESS (PHILIPPINES) CORP.

(A Wholly-Owned Subsidiary of Quess Corp. Limited)

FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

	C	S	2	0	1	3	5	0	8	8

C O M P A N Y   N A M E

QUESS (PHILIPPINES) CORP.
(A Wholly-Owned Subsidiary of
Quess Corp. Limited)

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

6TH FLOOR, SALUSTIANA D. TY TOWER
CONDOMINIUM, 104 PASE0 DE ROXAS STREET
CORNER PEREA STREET, LEGASPI VILLAGE
MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number/s	Mobile Number
vijay.sivaram@quesscorp.com	464-7108	02-728-2582

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
6	2ND MONDAY OF AUGUST	MARCH 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
VIJAY SIVARAM	vijay.sivaram@quesscorp.com	N/A	60143294892

CONTACT PERSON'S ADDRESS

703 PRINCE TOWER TORDESILLAS COR. BAUTISTA STREETS SALCEDO VILLAGE, MAKATI CITY, METRO MANILA

NOTE 1: *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2: *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

QUESS (PHILIPPINES) CORP.
(A Wholly-Owned Subsidiary of Quess Corp. Limited)

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BDO Roxas Cruz Tagle and Co.
Audit | Tax | Consulting | BSO

BOA/PRC Reg. No. 0005,
December 13, 2018, valid until July 20, 2021
SEC Accreditation No. 0007-FR-5,
July 5, 2018, valid until July 4, 2021

2nd Floor Multinational Bancorporation Centre
6805 Ayala Avenue, Makati City 1226 Philippines
www.bdo-roxascruztagle.ph
Tel: + (632) 8844 2016
Fax: + (632) 8844 2045

INDEPENDENT AUDITOR'S REPORT

The Shareholders and the Board of Directors
Quess (Philippines) Corp.
(A Wholly-Owned Subsidiary of Quess Corp. Limited)
6th Floor, Salustiana D. Ty Tower Condominium
104 Paseo de Roxas Street cor. Perea Street
Legaspi Village, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Quess (Philippines) Corp. (the "Company"), which comprise the statements of financial position as at March 31, 2020 and 2019, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). 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 for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs 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, these 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 PSAs, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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.

ROXAS CRUZ TAGLE AND CO.

Jarred D. Pereña
Partner
CPA Certificate No. 0109297
Tax Identification No. 243-146-342
SEC Accreditation No. 109297-SEC, Group A, issued on February 27, 2020,
effective until February 26, 2023
BIR Accreditation No. 08-001682-015-2019, issued on October 22, 2019,
effective until October 21, 2022
PTR No. 814-7808, issued on January 21, 2020, Makati City

June 15, 2020
Makati City

QUESS (PHILIPPINES) CORP.
(A Wholly-Owned Subsidiary of Quess Corp. Limited)

STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2020 AND 2019

	Note	**2020**	2019
ASSETS			
Current Assets			
Cash	*5*	**₱7,895,977**	₱10,416,834
Receivables, net	*6*	**157,883,335**	116,334,499
Due from related parties	*18*	**4,664,704**	3,832,624
Prepayments and other current assets	*7*	**7,772,468**	5,860,737
Total Current Assets		**178,216,484**	136,444,694
Noncurrent Assets			
Investment in an associate	*8*	**250,000**	250,000
Property and equipment, net	*9*	**1,327,811**	1,436,768
Total Noncurrent Assets		**1,577,811**	1,686,768
		₱179,794,295	₱138,131,462
LIABILITIES AND EQUITY			
Current Liabilities			
Payables	*10*	**₱21,627,770**	₱22,292,647
Due to related parties	*18*	**107,948,278**	84,806,805
Income tax payable	*17*	**-**	-
Total Current Liabilities		**129,576,048**	107,099,452
Noncurrent Liability			
Deferred tax liability,net	*17*	**1,860,478**	485,606
Total Liabilities		**131,436,526**	107,585,058
Equity			
Share capital	*11*	**8,600,000**	8,600,000
Retained earnings	*12*	**39,757,769**	21,946,404
Total Equity		**48,357,769**	30,546,404
		₱179,794,295	₱138,131,462

See Notes to the Financial Statements.

QUESS (PHILIPPINES) CORP.
(A Wholly-Owned Subsidiary of Quess Corp. Limited)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	Note	**2020**	2019
REVENUES	*13*	**₱323,748,640**	₱168,344,444
COST OF SERVICES	*14*	**(265,635,556)**	(122,724,060)
GROSS PROFIT		**58,113,084**	45,620,384
OTHER OPERATING INCOME, NET	*15*	**4,302,775**	460,280
INCOME FROM OPERATIONS		**62,415,859**	46,080,664
GENERAL AND ADMINISTRATIVE EXPENSES	*16*	**(36,007,618)**	(36,925,155)
INCOME BEFORE TAX		**26,408,241**	9,155,509
PROVISION FOR INCOME TAX	*17*	**(8,596,876)**	(2,894,218)
NET INCOME		**17,811,365**	6,261,291
OTHER COMPREHENSIVE INCOME		**-**	-
		₱17,811,365	₱6,261,291

See Notes to the Financial Statements.

QUESS (PHILIPPINES) CORP.
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STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	Note	**2020**	2019
SHARE CAPITAL	*11*	**₱8,600,000**	₱8,600,000
RETAINED EARNINGS			
Appropriated			
At April 1		**-**	-
Appropriation during the year	*12*	**15,000,000**	-
At March 31		**15,000,000**	-
Unappropriated			
At April 1		**21,946,404**	15,685,113
Net income for the year		**17,811,365**	6,261,291
Appropriation during the year	*12*	**(15,000,000)**	-
End of year		**24,757,769**	21,946,404
		₱48,357,769	₱30,546,404

See Notes to the Financial Statements.

QUESS (PHILIPPINES) CORP.
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STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	Note	**2020**	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before tax		**₱26,408,241**	₱9,155,509
Adjustments for:			
Unrealized foreign exchange gain	*15*	**(6,698,553)**	(2,085,646)
Interest expense	*15*	**1,940,680**	1,520,489
Depreciation	*9,16*	**657,331**	584,856
Provision for impairment losses	*6,16*	**30,000**	466,959
Operating income before working capital changes		**22,337,699**	9,642,167
Decrease (increase) in:			
Receivables,net		**(41,578,836)**	(29,752,345)
Due from related parties		**(832,080)**	(2,451,262)
Prepayments and other current assets		**(1,911,733)**	(2,034,442)
Increase (decrease) in:			
Payables		**(16,544,286)**	14,458,533
Due to related parties		**45,830,523**	25,885,643
Cash generated from operations		**7,301,287**	15,748,294
Interest paid	*15*	**(1,940,680)**	(1,520,489)
Income taxes paid	*17*	**(7,222,004)**	(4,164,850)
Net cash provided by (used in) operating activities		**(1,861,397)**	10,062,955
CASH FLOW FROM AN INVESTING ACTIVITY			
Acquisition of property and equipment	*9*	**(548,374)**	(1,196,660)
EFFECT OF FOREIGN EXCHANGE RATES CHANGES ON CASH	*5*	**(111,086)**	84,986
NET INCREASE (DECREASE) IN CASH		**(2,520,857)**	8,951,281
CASH AT BEGINNING OF YEAR		**10,416,834**	1,465,553
CASH AT END OF YEAR	*5*	**₱7,895,977**	₱10,416,834

See Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

Quess (Philippines) Corp. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on March 13, 2013.

Its principal activities are to carry on or undertake activities relating to computer software, namely: system study and software feasibility analysis, including analysis of existing systems, business analysis, project definition, conceptual design and prototyping and designing; development and implementation of customized software, including collection and analysis of client requirements, development and implementation of the system to the client's satisfaction and design; and set up and administration of database, including understanding client data procedures, designing of tables using structured methodology like entity-relationship diagram, installation, performance tuning and database administration.

The Company is wholly-owned subsidiary of Quess Corp. Limited (the "Parent Company"), an entity incorporated under the laws of India. The Parent Company is engaged in providing business support services, global technology solutions, integrated facility management and industrials.

The financial statements were approved and authorized for issuance in accordance with a resolution by the Board of Directors (BOD) on June 15, 2020. The Company's Treasurer, Vijay Sivaram, was authorized by the BOD to sign for and behalf of the BOD, to approve and cause the issuance of audited financial statements.

2. Basis of Preparation

<u>Statement of Compliance</u>
The accompanying financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS are based on International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). PFRS consist of PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Financial Reporting Standards Council (FRSC).

<u>Basis of Adoption</u>
The Company qualifies as a small and medium-sized entity (SME) based on the criteria set by the SEC for mandatory adoption of PFRS for SME. However, the Company, being part of a group that is reporting under International Financial Reporting Standards, has availed of the exemption for mandatory adoption.

<u>Basis of Measurement</u>
The financial statements of the Company have been prepared on the historical cost basis.

<u>Functional and Presentation Currency</u>
The financial statements are presented in Philippine Peso (₱), which is the functional currency of the Company. All values are rounded off to the nearest peso.

3. **Significant Accounting Policies**

Adoption of new and amended PFRS
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Company adopted effective for annual periods beginning on or after April 1, 2019:

- PFRS 16, *Leases* – PFRS 16 supersedes PAS 17 *Leases*, International Financial Reporting Interpretations Committee (IFRIC) 4 *Determining whether an Arrangement contains a Lease*, Standing Interpretations Committee (SIC) Interpretation No 15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires almost all leases to be brought onto lessees' statement of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases.

  Lessor accounting under PFRS 16 is substantially unchanged from PAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in PAS 17. Therefore, PFRS 16 does not have an impact for leases where the Company is the lessor.

  The adoption of PFRS 16 has no significant impact to the Company.

  The Company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases). The Company recognized the lease payments associated with lease contracts as an expense on a straight-line basis over the lease term.

- IFRIC Interpretation 23, *Uncertainty over Income Tax Treatment* – The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 *Income Taxes*. It does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

  - Whether an entity considers uncertain tax treatments separately
  - The assumptions an entity makes about the examination of tax treatments by taxation authorities
  - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  - How an entity considers changes in facts and circumstances

  The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

  The Company applies significant judgement in identifying uncertainties over income tax treatments.

- Amendments to PFRS 9: *Prepayment Features with Negative Compensation* – Under PFRS 9, a debt instrument can be measured at amortized cost or at Fair Value through Other Comprehensive Income (FVOCI), provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the "SPPI" criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments had no impact on the financial statements of the Company.

- Annual Improvements 2015-2017 Cycle

  - PAS 12, *Income Taxes* - The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognized those past transactions or events.

    An entity applies the amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognized on or after the beginning of the earliest comparative period.

    Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

  - PAS 23, *Borrowing Costs* - The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

    The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019, with early application permitted.

    Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

The adoption of the foregoing new and amended PFRS did not have any material effect on the financial statements of the Company.

Amended PFRS issued but not yet effective

Relevant amended PFRS which are not yet effective for the year ended March 31, 2020 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after April 1, 2020:

- Amendments to PAS 1 and PAS 8, *Definition of Material* – The amendments address the definition of material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the financial statements of the Company.

Current versus Noncurrent Classification

The Company presents assets and liabilities in the statements of financial position based on current and noncurrent classification. An asset is current when it is: (a) expected to be realized or intended to be sold or consumed in the normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within 12 months after the reporting period; or (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is current when it is: (a) expected to be settled in the normal operating cycle; (b) held primarily for trading; (c) due to be settled within 12 months after the reporting period; or (d) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other assets and liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent.

Financial Assets and Financial Liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

Financial Assets and Liabilities at FVPL. Financial assets and liabilities at FVPL are either classified as held for trading or designated at FVPL. A financial instrument is classified as held for trading if it meets either of the following conditions:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

This category includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition. This category includes debt instruments whose cash flows are not SPPI assessed at initial recognition of the assets, or which are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Company may, at initial recognition, designate a financial asset or financial liability meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset or financial liability at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets or liabilities.

After initial recognition, financial assets at FVPL and held for trading financial liabilities are subsequently measured at fair value. Unrealized gains or losses arising from the fair valuation of financial assets at FVPL and held for trading financial liabilities are recognized in profit or loss.

For financial liabilities designated at FVPL under the fair value option, the amount of change in fair value that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss.

The Company does not have financial assets and liabilities at FVPL.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

The Company's cash, receivables, due from related parties and rental deposit are included under this category (see Notes 5, 6, 18 and 7).

Financial Assets at FVOCI. For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Company may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

The Company does not have financial assets and liabilities at FVOCI.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

The Company's liabilities arising from its payables, excluding statutory liabilities, and due to related parties are included under this category (see Notes 10 and 18).

<u>Reclassification</u>
The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

<u>Impairment of Financial Assets at Amortized Cost and FVOCI</u>
The Company records an allowance for "expected credit loss" (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables and debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

<u>Derecognition of Financial Assets and Liabilities</u>
Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) 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 right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of comprehensive income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Company could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

Offsetting of Financial Assets and Liabilities
Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Cash
Cash includes cash on hand and in banks which are subject to insignificant risks of changes in value.

Prepayments and Other Current Assets
Prepayment represents expenses not yet incurred but already paid in cash. These are subsequently charged against profit or loss as these are consumed in operations or expire within the passage of time.

Prepayments and other current assets are recognized when the Company expects to receive future economic benefit from those and the amount can be measured reliably. Prepayments and other current asset includes creditable withholding tax, prepaid expenses, input value added tax (VAT), advances to vendors, rental deposit, deferred input VAT and prepaid income tax.

Input VAT is the indirect tax paid by the Company on the local purchase of goods or services from a VAT-registered person. Input VAT is deducted from the output VAT in arriving at the VAT due and payable. Claims for input VAT are stated at face value less provision for impairment, if any.

Rental deposit represents payment made in relation to the lease entered into by the Company. This is carried at cost and will be returned to the Company only upon the expiration of the lease contract. It is recognized as noncurrent assets when the Company expects to receive future economic benefit from them for more than one year, otherwise these are recognized under current assets. Rental deposit is classified under financial asset at amortized cost.

Deferred input VAT is recognized for purchases of services on account.

Investment in an Associate
An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

Under PAS 28, Investment in Associates and Joint Ventures, an entity need not use the equity method if all of the following four conditions are met:

i. The investor is a wholly-owned subsidiary, or is a partially-owned subsidiary of another entity and its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the investor not applying the equity method;
ii. The investor's debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);
iii. The investor did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory Company, for the purpose of issuing any class of instruments in a public market; and
iv. The ultimate or any intermediate parent of the investor produces consolidated financial statements available for public use that comply with IFRS.

The above mentioned criteria were all met by the Company in its acquisition of investment in associate, hence the exemption was applied.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property and equipment at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing.

The initial cost of property and equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the items can be measured reliably.

Depreciation, which commences when the assets are available for their intended use, is computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Furniture and fixtures	3
Office equipment	4
Computer equipment	4

The remaining useful lives and depreciation method are reviewed and adjusted periodically, if appropriate, to ensure that such periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of property and equipment.

The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use.

An item of property and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statements of comprehensive income in the period of retirement and disposal.

Impairment of Non-Financial Assets
The carrying amounts of property and equipment and investment in an associate are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, and if the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statements of income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Provisions
Provisions are recognized when: (a) the Company has a present obligation (legal or constructive) as a result of past events; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate of the amount of the obligation can be made. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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 assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Share Capital
Share capital are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Retained Earnings
Retained earnings represent the accumulated net income or losses, net of any dividend distributions and other capital adjustments.

Appropriated retained earnings represent that portion which is restricted for a particular purpose

Unappropriated retained earnings represent that portion not assigned to a specific business purpose.

Revenue Recognition
Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company perform its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue sources.

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

IT Consultancy and Services
Revenue is recognized when services have been rendered regardless of cash collection.

Other Income or Expense
Other income is recognized when there is an incidental economic benefit, other than from the usual business operations, that will flow to the Company and that can be measured reliably. The account includes realized and unrealized gain or loss on foreign exchange and interest expense.

Interest incurred on due to related party loans is recognized in profit or loss when incurred.

Costs and Expenses
Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

Leases
Company as a lessee. The Company recognize all lease payments as expense in the statements of income in the period in which they are incurred.

Taxes
Current Tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax relating to items recognized directly in equity is recognized in equity and not in the statements of income. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

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

Deferred tax liabilities are recognized using the liability method for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits - Minimum Corporate Income Tax (MCIT) and unused tax losses - Net Operating Loss Carry Over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized.

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

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

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

Current tax and deferred tax are recognized in the statements of comprehensive income, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control and significant influence. Related parties may be individuals or corporate entities.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

Foreign Currency Translations

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the reporting date.

Nonmonetary assets and nonmonetary liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date the fair value was determined. Nonmonetary items in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in profit or loss, except for differences arising on the translation of financial assets at FVOCI, a financial liability designated as an effective hedge of the net investment in a foreign operation or qualifying cash flow hedges, which are recognized in other comprehensive income.

Events After the Reporting Date

Post year-end events that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

4. **Use of Judgments, Estimates and Assumptions**

The preparation of the financial statements in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Judgments and estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments and estimates and assumptions are revised and in any future period affected.

Judgments
In the process of applying the accounting policies, the Company has made the following judgments, apart from those involving estimations, which have an effect on the amounts recognized in the financial statements:

Evaluating Deferred Tax. In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Determining Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency is determined to be the Philippine Peso. It is the currency that mainly influences the Company's operations.

Classifying Financial Instruments. The Company exercises judgments in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset or liability. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

Determining whether an arrangement contains a lease. Company assesses whether an arrangement contains a lease based on PFRS 16, as disclosed in Note 3. On adoption of PFRS 16, the Company elected to apply the practical expedient on the assessment of which transactions are considered leases. It applied PFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under PAS 17 and IFRC 4 were not reassessed if there is a lease. Therefore, the definition of lease under PFRS 16 was applied only to contracts entered into or changed on or after April 1, 2019.

Determining the lease term of contracts with renewal and termination options – Company as lessee. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Estimates and Assumptions
The key estimates and assumptions used in the financial statements are based upon the Company's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from such estimates.

Allowance for Impairment Losses on Receivables. The Company follows the simplified approach in estimating the level of impairment loss on receivables, as adopted by the Parent Company. The Company uses a provision matrix to determine impairment loss on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables and is adjusted for forward - looking estimates. it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The allowance for impairment loss on receivables amounted to ₱496,959 and ₱466,959 as at March 31, 2020 and 2019, respectively (see Note 6).

The carrying amounts of receivables amounted to ₱170,768,493 and ₱116,334,499 as at March 31, 2020 and 2019, respectively (see Note 6).

Estimated Useful Lives of Property and Equipment. The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recorded costs and expenses and decrease noncurrent assets.

There were no changes in the estimated useful lives of property and equipment for the years ended March 31, 2020 and 2019 (see Note 3).

Impairment of Non-Financial Assets. PFRS requires that an impairment review be performed on nonfinancial assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determining the recoverable amounts of these assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amounts and any resulting impairment loss could have a material adverse impact on the financial performance.

The carrying amount of investment in an associate amounted to ₱250,000 as at March 31, 2020 and 2019. Based on Management's evaluation, there were no indicators of impairment (see Note 8).

Management assessed that its property and equipment with carrying amount of ₱1,327,811 and ₱1,436,768 as at March 31, 2020 and 2019 is not impaired (see Note 9).

Recoverability of Deferred Tax Assets. The Company reviews its deferred tax assets at each financial reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax asset amounted to ₱149,088 and ₱140,088 as at March 31, 2020 and 2019, respectively (see Note 17).

5. Cash

This account consists of:

	2020	2019
Petty cash fund	**₱77,106**	₱10,000
Cash in banks	**7,818,871**	10,406,834
	₱7,895,977	₱10,416,834

Unrealized foreign exchange gain (loss) on translation of foreign currency-denominated deposits in banks amounted to (₱111,086) in 2020 and ₱84,986 in 2019 (see Note 14).

6. Receivables, Net

This account consists of:

	2020	2019
Trade	**₱158,380,294**	₱116,140,876
Advances to officers and employees	**-**	660,582
	158,380,294	116,801,458
Allowance for impairment loss	**(496,959)**	(466,959)
	₱157,883,335	₱116,334,499

Trade receivables represent uncollected service revenue which are unsecured, non-interest bearing and usually due within 30 to 60 days from invoice date. There were no trade receivables pledged as collateral for liabilities of the Company.

Cash advances made to officers and employees is for working capital expenditures, non-interest bearing and are subject to liquidation upon utilization.

The Company has directly written-off trade receivables amounting to ₱2,248,011 in 2020 and ₱100,000 in 2019 (see Note 15).

Provision for impairment loss amounted to ₱30,000 in 2020 and ₱466,959 in 2019 (see Note 15).

7. Prepayments and Other Current Assets

The account consists of:

	Note	2020	2019
Prepaid expenses		**₱2,234,897**	₱2,783,086
Input VAT		**1,250,025**	130,323
Advances to vendors		**736,550**	-
Rental deposit	*18*	**413,293**	413,293
Deferred input VAT		**312,145**	312,146
Prepaid income tax	*16*	**2,825,558**	2,221,889
		₱7,772,468	₱5,860,737

Prepaid expenses include services paid for advertisements, payroll software and health insurance plan of employees, which are normally amortized within one year.

Input VAT refers to the tax passed on to the Company by its suppliers, for acquisition of goods and services, which may be applied against its output VAT.

Advances to vendors pertains to cash payments made during the year for purchases goods and services to be fulfilled within twelve (12) months after the reporting date.

Rental deposit pertains to the non-interest bearing rental deposit paid to the lessor, which will be refunded at the end of the lease contract.

Deferred input VAT arises from accrual of professional fees.

Prepaid income tax pertains to excess of income tax credits and payments made over income tax due during the year, which are expected to be used within the next taxable period.

8. Investment in an Associate

In December 2017, the Company subscribed to 10,000 shares with par value of ₱100 each, or equivalent to 25% of the common capital stock of Quess Recruit, Inc., where the Company paid ₱250,000 in cash.

The Company accounted for the investment in an associate using the cost method in compliance with the requirements set forth in Note 3.

A summary of financial information of Quess Recruit, Inc. is as follows:

	2020	2019
Total assets	**₱20,214,668**	₱5,629,066
Total liabilities	**4,745,092**	1,285,247
Total equity	**15,469,576**	4,343,819
Total revenue	**15,376,625**	6,867,961
Net income	**11,125,757**	3,585,481

Based on Management's evaluation of the carrying amount of the Company's investment in an associate, there were no indications of impairment.

9. Property and Equipment, Net

This details and movements of this account follow:

	Note	Furniture and Fixtures	Office Equipment	Computer Equipment	Total
Cost					
At March 31, 2018		₱510,856	₱61,877	₱1,041,826	₱1,614,559
Additions		389,986	83,959	722,715	1,196,660
At March 31, 2019		900,842	145,836	1,764,541	2,811,219
Additions		-	20,138	528,236	548,374
At March 31, 2020		900,842	165,974	2,292,777	3,359,593
Accumulated depreciation					
At March 31, 2018		275,540	19,434	494,621	789,595
Depreciation	*15*	238,018	25,516	321,322	584,856
At March 31, 2019		513,558	44,950	815,943	1,374,451
Depreciation	*15*	204,148	38,043	415,140	657,331
At March 31, 2020		717,706	82,993	1,231,085	2,031,782
Net book value					
At March 31, 2020		**₱183,136**	**₱82,981**	**₱1,061,694**	**₱1,327,811**
At March 31, 2019		₱387,284	₱100,886	₱948,598	₱1,436,768

There are no restrictions on title, contractual commitments or property and equipment pledged as security for liabilities as at March 31, 2020 and 2019, respectively.

Management sees no condition of impairment and believes that the net carrying amount of property and equipment can be recovered through use in operations.

10. Payables

The account consists of:

	2020	2019
Trade payables	**₱818,518**	₱10,234,328
Accrued expenses	**12,624,304**	9,450,104
Government liabilities	**8,184,948**	2,608,215
	₱21,627,770	₱22,292,647

Trade payables pertain to outstanding obligations to suppliers, which are normally payable within 30 days from billing.

Accrued expenses, which are normally settled within 30 days, includes utilities, payroll and other expenses incurred by the Company that are not yet paid during the financial period.

Government liabilities pertain to VAT, SSS, PHIC and HDMF premium contributions to be remitted on the respective government agencies the following month.

11. Share Capital

This account consists of:

	2020		2019	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorized share capital at ₱100 par value per share	**344,000**	**₱34,400,00**	344,000	₱34,400,000
Issued and outstanding share capital at ₱100 par value per share	**86,000**	**₱8,600,000**	86,000	₱8,600,000

12. Retained Earnings

Appropriation of retained earnings

Under the Corporation Code of the Philippines (Code), stock corporations are prohibited from retaining surplus profits in excess of 100% of their paid-up capital stock, except when justified by any reasons mentioned in the Code. Under RA No. 8424, An Act Amending the National Internal Revenue Code, as Amended, and for Other Purposes, improperly accumulated earnings tax of 10% is imposed on profits accumulated beyond reasonable needs of a company.

Further, the SEC, in its Financial Reporting Bulletin (FRB) No. 15, Appropriation of Retained Earnings for Business Expansion, states that pursuant to PAS 1, the disclosures of the details of the expansion (e.g., description of the project, timeline) to render the project definite and the date of the approval by the BOD of the project are relevant to provide an understanding of the impact of the retention of earnings on the financial statements and thus, must be provided therein.

Retained earnings of the Company are in excess of its paid-up capital as at March 31, 2020 and 2019. In a meeting held on April 26, 2019, the BOD resolved to appropriate the amount of ₱15,000,000 out of retained earnings to fund its business expansion anticipated for the year 2019.

13. Revenues

The Company's revenue from rendering IT consultancy and services amounted to ₱323,748,640 and ₱168,344,444 for the years ended March 31, 2020 and 2019, respectively. Revenue is calculated based on the number of hours rendered by its personnel and an additional administrative fee for the services provided by the Company's personnel.

14. Cost of Services

This account consists of:

	2020	2019
Salaries and wages	**₱208,308,589**	₱89,201,185
Other employee benefits	**30,725,986**	15,401,125
SSS/PHIC and HDMF contributions	**10,646,065**	3,699,636
Transportation and travel	**8,636,438**	4,770,173
13th month pay	**7,318,478**	9,651,941
	₱265,635,556	₱122,724,060

15. Other Operating Income, Net

The details of the account are as follows:

	Note	2020	2019
Unrealized foreign exchange gain	*5,17*	**₱6,698,553**	₱2,085,646
Realized foreign exchange loss		**(455,098)**	(104,877)
Interest expense	*17*	**(1,940,680)**	(1,520,489)
		₱4,302,775	₱460,280

Unrealized foreign exchange gain arose mainly from translation of outstanding foreign currency-denominated related party loans.

Realized foreign exchange loss arose mainly from translation of foreign currency-denominated revenue and purchase transactions made by the Company, as well as related party advances.

16. General and Administrative Expenses

The details of the account are as follows:

	Note	2020	2019
Salaries and wages		**₱19,648,948**	₱12,899,196
Loss on write-off of receivables	*6*	**2,248,011**	100,000
Professional fees		**2,191,812**	10,654,243
Communication, light and water		**2,104,136**	1,378,985
Rent	*18*	**2,025,857**	1,387,991
13th month pay and other employee benefits		**1,976,768**	3,077,345
Transportation and travel		**1,882,172**	868,067
Advertising		**908,421**	1,038,423
Depreciation	*9*	**657,331**	584,856
Training and allowances		**496,789**	299,514
Recruitment		**446,810**	524,847
Supplies		**423,335**	136,746
Software and log in fees		**351,213**	753,271
Bank charges		**121,605**	68,542
Repairs and maintenance		**110,500**	-
Provision for impairment loss	*6*	**30,000**	466,959
Taxes and licenses		**2,809**	1,162,529
SSS, PHIC and HDMF contributions		**-**	637,015
Association dues and membership fees		**-**	120,129
Insurance		**-**	61,212
Representation		**-**	16,875
Others		**381,101**	688,410
		₱36,007,618	₱36,925,155

17. Income Taxes

The components of the Company's provision for income tax are as follow:

	2020	2019
Current	**₱7,222,003**	₱1,190,676
Deferred	**1,374,873**	1,703,542
	₱8,596,876	₱2,894,218

(a) The reconciliation of the provision for income tax computed at the statutory income tax rate and the provision for income tax shown in the profit or loss are as follow:

	2020	2019
Income before tax	**₱26,408,241**	₱9,155,509
Income at statutory rate of 30%	**₱7,922,472**	₱2,746,653
Adjustments for:		
Non-deductible expenses	**674,404**	147,565
	₱8,596,876	₱2,894,218

(b) The components of net deferred tax liability as at March 31 are as follows:

	2020	2019
Allowance for impairment	**₱149,088**	₱140,088
Unrealized foreign exchange gain	**(2,009,566)**	(625,694)
	(₱1,860,478)	(₱485,606)

(c) The movements in deferred tax liability during the year are as follows:

	2020	2019
Beginning of year	**(₱485,606)**	₱1,217,936
Charged to profit or loss	**(1,374,872)**	(1,703,542)
End of year	**(₱1,860,478)**	(₱485,606)

(d) The movements in prepaid income tax are as follows:

	2020	2019
Balance at January 1	**(₱2,221,889)**	₱613,464
Charged to profit or loss	**7,222,003**	1,190,676
Income tax paid	**(7,825,672)**	(4,026,029)
	(₱2,825,558)	(₱2,221,889)

18. **Related Party Disclosures**

Transactions with related parties consist of services rendered to and advances for various working capital requirements. Those transactions and balances are unsecured, unguaranteed, and expected to be settled through cash payment on demand.

	Nature	Year	Transactions during the year	Outstanding balance
Due from related parties				
Associate	Advances	**2020**	**₱-**	**₱-**
		2019	(1,381,362)	-
Entity under	Advances	**2020**	**₱832,080**	**₱4,664,704**
common control		2019	3,832,624	3,832,624
		2020	**₱832,080**	**₱4,664,704**
		2019	2,451,262	3,832,624
Due to related parties				
Entities under	Advances	**2020**	**₱23,141,473**	**₱107,948,248**
common control		2019	₱23,884,983	₱84,806,805

The advances from related parties bear annual interest rate of 0.8%. Interest expense on due to related parties amounted to ₱1,940,680 in 2020 and ₱1,520,849 in 2019 (see Note 15).

Unrealized foreign exchange gain (loss) on translation of foreign currency-denominated deposits in banks amounted to ₱6,809,639 in 2020 and ₱2,000,660 in 2019.

The Company does not have key management compensation for the years ended March 31, 2020 and 2019.

19. **Commitments and Contingencies**

The Company leases its office space with a term of one (1) year and is renewable thereafter under the same terms and conditions upon agreement. Rental expense incurred by the Company amounted to ₱2,025,857 and ₱1,387,991, respectively (see Note 16).

Rental deposits amounting to ₱413,293 as at March 31, 2020 and 2019 are refundable at the end of the lease term (see Note 7).

Contingencies
There are no significant material contingencies in relation to any legal action of claims involving the Company as at and for the fiscal years ended March 31, 2020 and 2019.

20. **Events After the Reporting Date**

On March 11, 2020, the World Health Company assessed that the novel coronavirus of 2019 (COVID-19) has become a pandemic. This assessment affected economic activities and business operations in an unprecedented manner as the effects continue to evolve.

The effects of the pandemic are considered by the Company as non-adjusting subsequent events because these have no impact to the financial statements as at and for the year ended March 31, 2020. The Company, however, is still determining the impact of the pandemic to its 2020 financial statements. Management believes that the Company will continue as a going concern despite the effects of the pandemic.

21. **Financial Risk and Capital Management Objectives and Policies**

Objectives and Policies
The Company has significant exposure to the following financial risks primarily from its use of financial instruments:

- Foreign Currency Risk
- Credit Risk
- Liquidity Risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Company include cash and rental deposit. These financial instruments are used mainly for working capital management purposes. The trade-related financial assets and financial liabilities of the Company such as receivables, due from related parties and payables, excluding statutory liabilities, arise directly from and are used to facilitate its daily operations.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Company. The risk management policies of the Company are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Foreign Currency Risk
The functional currency is the Philippine peso, which is the denomination of the bulk of the Company's transactions. The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Company. The risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity.

The Company's foreign currency-denominated monetary assets and liabilities and their Philippine peso equivalents as at March 31 are as follows:

	2020		2019	
	Foreign Currency	**Peso Equivalent**	Foreign Currency	Peso Equivalent
Cash	**45,102**	**2,320,711**	4,082	241,322
Due to related parties	**1,789,298**	**92,068,868**	2,686,539	84,213,444
	1,834,400	**94,389,579**	2,690,621	84,454,766

The Company reported net foreign exchange gains amounted to ₱6,243,455 in 2020 and ₱1,980,769 in 2019, as a result of foreign currency translation of its monetary asset and liability, included under "Other operating income (expense) - net" account in the statements of comprehensive income (see Note 15).

The foreign exchange rates as at March 31, 2020 and 2019 are as follows:

	2020	2019
1 US Dollar (USD)	**₱51.04**	₱52.50
1 Singaporean Dollar (SGD)	**35.86**	38.71
1 Malaysian Ringgit (MYR)	**11.80**	12.85

The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Company's financial instruments to various foreign currency exchange rate scenarios.

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant, of the Company's income before tax (due to changes in the fair value of monetary assets and monetary liabilities) and equity (due to translation of results and financial position of foreign operations) as at March 31, 2020 and 2019.

	2020			
	1% Decrease in Foreign Currency Exchange Rate		**1% Increase in Foreign Currency Exchange Rate**	
	Effect on Income before Income Tax	**Effect on Equity (Net of Tax)**	**Effect on Income before Income Tax**	**Effect on Equity (Net of Tax)**
Cash	**(₱2,320,711)**	**₱-**	**₱2,320,711**	**₱-**
Due to related parties	**92,068,868**	**-**	**(92,068,868)**	**-**
	₱94,389,579	**₱-**	**₱94,389,579**	**₱-**

	2019			
	1% Decrease in Foreign Currency Exchange Rate		1% Increase in Foreign Currency Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity (Net of Tax)	Effect on Income before Income Tax	Effect on Equity (Net of Tax)
Cash	(₱241,322)	₱-	₱241,322	₱-
Due to related parties	84,213,444	-	(84,213,444)	-
	₱83,972,122	₱-	(₱83,972,122)	₱-

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Company's foreign currency risk.

Credit Risk

The Company's maximum exposure to credit risk before collateral held or other credit enhancements as at March 31 follows (gross of allowance for impairment):

	2020				2019			
	Maximum Exposure to Credit Risk	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Net Exposure	Maximum Exposure to Credit Risk	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Net Exposure
Trade receivables	**₱157,883,335**	**₱-**	**₱-**	**₱157,883,335**	₱116,140,876	₱-	₱-	₱116,140,876
Due from related parties	**4,664,704**	**-**	**-**	**4,664,704**	3,832,624	-	-	3,832,624
Rental deposit	**413,293**	**-**	**-**	**413,293**	413,293	-	-	413,293
	₱162,961,332	**₱-**	**₱-**	**₱162,961,332**	₱120,386,793	₱-	₱-	₱120,386,793

Credit risk from deposit in banks is managed by ensuring that those are with reputable and financially sound counterparties. The credit risk for cash in banks is considered negligible.

Due from related parties are unsecured but are made in the normal course of business and the counterparties have no history or expectation of default.

Rental deposits are fully recoverable at the end of lease term.

The aging analyses as at March 31 of financial assets are as follows (gross of allowance for impairment):

		2020						
					Past Due But Not Impaired			
	Note	**Total**	**Neither Impaired Nor Past Due**	**Past Due And Impaired**	**Within 30 to 90 Days**	**91 to 180 Days**	**181 to 360 Days**	**More Than 360 Days**
Cash in banks	***5***	**₱7,818,871**	**₱7,818,871**	**₱-**	**₱-**	**₱-**	**₱-**	**₱-**
Trade receivables	***6***	**157,883,335**	**7,208,077**	**496,959**	**70,441,886**	**21,944,650**	**27,002,769**	**30,788,994**
Due from related parties	***17***	**4,664,704**	**4,664,704**	**-**	**-**	**-**	**-**	**-**
Rental deposit	***7,18***	**413,293**	**413,293**	**-**	**-**	**-**	**-**	**-**
		₱170,780,203	**₱15,439,301**	**₱496,959**	**₱70,441,886**	**₱21,944,650**	**₱27,002,769**	**₱30,788,994**

		2019						
					Past Due But Not Impaired			
	Note	Total	Neither Impaired Nor Past Due	Past Due And Impaired	Within 30 to 90 Days	91 to 180 Days	181 to 360 Days	More Than 360 Days
Cash in banks	*5*	₱10,406,834	₱10,406,834	₱-	₱-	₱-	₱-	₱-
Trade receivables	*6*	116,140,876	66,529,876	-	8,509,767	11,311,672	13,918,950	15,870,611
Due from related parties	*17*	3,832,624	3,832,624	-	-	-	-	-
Rental deposit	*7,18*	413,293	413,293	-	-	-	-	-
		₱130,793,627	₱81,182,627	₱-	₱8,509,767	₱11,311,672	₱13,918,950	₱15,870,611

Credit quality per class of financial assets

The Company's bases in grading its financial assets are as follow:

High grade - These are receivables which have a high probability of collection (the counterparty has the apparent ability to satisfy its obligation and the security on the receivables are readily enforceable).

Standard grade – These are receivables where collections are probable due to the reputation and the financial ability of the counterparty to pay but have been outstanding for a certain period of time.

Substandard grade - These are receivables that can be collected provided the Company makes persistent effort to collect them.

The tables below show the credit quality by class of financial assets as at March 31:

	2020					
	Neither Impaired Nor Past Due					
	High Grade	**Standard Grade**	**Substandard Grade**	**Past Due But Not Impaired**	**Impaired**	**Total**
Cash in banks	**₱7,818,871**	**₱-**	**₱-**	**₱-**	**₱-**	**₱7,818,871**
Trade receivables	**-**	**7,208,077**	**-**	**150,178,299**	**-**	**157,386,376**
Due from related parties	**-**	**4,664,704**	**-**	**-**	**-**	**4,664,704**
Rental deposit	**-**	**413,293**	**-**	**-**	**-**	**413,293**
	₱7,818,871	**₱12,286,074**	**₱-**	**₱150,178,299**	**₱-**	**₱170,283,244**

	2019					
	Neither Impaired Nor Past Due					
	High Grade	Standard Grade	Substandard Grade	Past Due But Not Impaired	Impaired	Total
Cash in banks	₱10,406,834	₱-	₱-	₱-	₱-	₱10,406,834
Trade receivables	-	66,529,876	-	49,611,000	-	116,140,876
Due from related parties	-	3,832,624	-	-	-	3,832,624
Rental deposit	-	413,293	-	-	-	413,293
	₱10,406,834	₱70,775,793	₱-	₱49,611,000	₱-	₱130,793,627

<u>Liquidity Risk</u>

Liquidity risk is the risk from an entity's inability to meet obligations when they become due because of its inability to liquidate assets or obtain adequate funding. The Company ensures that sufficient liquid assets are available to meet short-term funding and regulatory requirements.

The Company's liquidity and cash positions are monitored on a daily basis. The Company maintains sufficient liquidity reserves in the form of high-yielding deposits with banks. The Company has also obtained sufficient liquidity lines from other banks and non-bank lending institutions that can relieve financial pressures in the event of an extraordinary demand for liquidity.

The following tables summarize the maturity profile of financial instruments that is used by the Company to manage its liquidity risk based on contractual undiscounted cash flows (including interest):

	2020			
	Total	**On Demand**	**Within 1 Year**	**Beyond 1 Year**
Financial assets				
Cash in banks	**₱7,818,871**	**₱7,818,871**	**₱-**	**₱-**
Trade and other receivables*	**157,883,335**	**150,675,258**	**7,208,077**	**-**
Due from related parties	**4,664,704**	**4,664,704**	**-**	**-**
Rental deposit	**413,293**	**-**	**413,293**	**-**
	170,780,203	**163,158,833**	**7,621,370**	**-**
Financial liabilities				
Payables**	**21,627,770**	**21,627,770**	**-**	**-**
Due to related parties	**107,948,278**	**107,948,278**	**-**	**-**
	129,576,048	**129,576,048**	**-**	**-**
	₱41,204,155	**₱33,582,785**	**₱7,621,370**	**₱-**

	2019			
	Total	On Demand	Within 1 Year	Beyond 1 Year
Financial assets				
Cash in banks	₱10,406,834	₱10,406,834	₱-	₱-
Trade and other receivables*	116,140,876	49,611,000	66,529,876	-
Due from related parties	3,832,624	3,832,624	-	-
Rental deposit	413,293	-	413,293	-
	130,793,627	63,850,458	66,943,169	-
Financial liabilities				
Payables**	19,684,432	19,684,432	-	-
Due to related parties	84,806,805	84,806,805	-	-
	104,491,237	104,491,237	-	-
	₱26,302,390	(₱40,640,779)	₱66,943,169	₱-

**Excluding advances to officers and employees*
***Excluding government liabilities*

<u>Capital Risk Management</u>
The capital of the Company comprises of funds invested by the Parent and local shareholders.

The Company's BOD has the overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Company's external environment and the risks underlying the Company's business operations and industry.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The Company through the Finance function sets operational targets and performance indicators in order to assure that the capital and returns requirements are achieved. Appropriate monitoring and reporting systems accompany these targets and indicators to assess the achievement of Company goals and institute appropriate action.

There were no changes in the Company's approach to capital management during the year.

22. Financial Assets and Financial Liabilities

The following table summarizes the carrying values of the Company's financial assets and financial liabilities at March 31:

	2020	2019
Financial assets at amortized cost		
Cash	**₱7,895,977**	₱10,416,834
Receivables*	**157,883,335**	115,673,917
Due from related parties	**4,664,704**	3,832,624
Rental deposit	**413,293**	413,293
	₱170,857,309	₱130,336,668
Financial liabilities at amortized cost		
Payables**	**₱21,603,312**	₱19,684,432
Due to related parties	**107,948,278**	84,806,805
	₱129,551,590	₱104,491,237

**Excluding advances to officers and employees*
***Excluding government liabilities*

The carrying amounts of cash in banks, receivables, rental deposit, payables, and related party balances approximate their fair values due to the relatively short-term maturities of the financial instruments.

23. Supplementary Information Required under Revenue Regulation (RR) No. 15-2010

In compliance with the requirements of RR No. 15-2010 issued on November 25, 2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year ended March 31, 2020:

1. The amount of output VAT declared during the year and the account title and amount/s upon which the same was based

The details of the Company's gross sales/receipts and output VAT are as follow:

Type of revenue	Gross receipts	Output VAT
Vatable sales	₱110,124,051	₱13,214886
Zero-rated sales	124,190,461	-
	₱234,314,512	₱13,214,886

Total revenues per book for the fiscal year ended March 31, 2019 amounted to ₱168,344,444. The difference from the total sales per VAT returns amounting to ₱39,369,654 is due to uncollected sales.

2. The amount of input VAT

Balance at beginning of year	₱130,323
Domestic purchases of goods other than capital goods	-
Domestic purchases of services	1,136,077
VAT paid	(16,375)
Balance at end of year	₱1,250,025

3. The amount of withholding taxes paid/accrued for the year

Tax on compensation and benefits	₱9,878,774
Creditable withholding taxes	939,063
Expanded withholding taxes	480,932
	₱11,298,769

4. Taxes and licenses

Registration fees	₱500
Other local taxes	2,309
	₱2,809

5. Deficiency tax assessments and tax cases

As at March 31, 2020, the Company has no pending tax court cases and has not received any tax assessment notice from the BIR.

QUESS (PHILIPPINES) CORP.
(A Wholly-Owned Subsidiary of Quess Corp. Limited)

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
AS AT MARCH 31, 2020

UNAPPROPRIATED RETAINED EARNINGS, AS ADJUSTED TO AVAILABLE FOR DIVIDEND DISTRIBUTION, BEGINNING		₱20,346,364
ADD: NET INCOME ACTUALLY EARNED DURING THE PERIOD		
Net income during the year closed to Retained Earnings	₱17,811,365	
Add: Provision for deferred tax expense	1,374,872	
Less: Unrealized foreign exchange gain in 2019 realized in 2020	2,085,646	
Unrealized foreign exchange gain in 2020	(6,698,553)	14,573,330
RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION		₱34,919,694

RETAINED EARNINGS AS PRESENTED IN THE STATEMENT OF FINANCIAL POSITION	₱39,757,769
ADD: DEFERRED TAX LIABILITY	1,860,478
LESS: UNREALIZED FOREIGN EXCHANGE GAIN	(6,698,553)
RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION	₱34,919,694