

AUDIT REPORT
&
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH 2020

M/s.MAGNASOFT CONSULTING INDIA
PRIVATE LIMITED

TEXAS BUILDING, FIRST FLOOR,
GLOBAL VILLAGE IT SECTOR SEZ,
PATTANAGERE VILLAGE,
MYLASANDRA, KENGERI HOBLI,
BANGALORE – 560059

SUNDARESHA & ASSOCIATES,
Chartered Accountants,
Professional Court, I Floor,
No.27/7, 15th Cross,
3rd Block, Jayanagar,
BANGALORE – 560 011



INDEPENDENT AUDITOR'S REPORT

To
The Members of
M/s.MAGNASOFT CONSULTING INDIA PRIVATE LIMITED
Bangalore

Opinion

We have audited the accompanying standalone financial statements of M/s.Magnasoft Consulting 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 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 audit opinion on the standalone financial statements.

Emphasis of matter

We draw attention to Note 33 of the standalone financial statements, which describes the reasons and effects of impairment of Intangible Asset - Northstar. 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 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 standalone financial statements and our auditor's report thereon.





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Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone 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 financial position, financial performance, total comprehensive income, changes in equity 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.

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 Responsibilities for the Audit of the Standalone Financial Statements

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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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.

Materiality is the magnitude of misstatements in the standalone 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.

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.





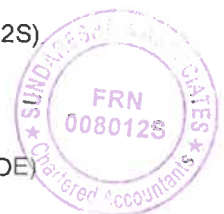
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2. As required by Section 143(3) of the Act, we report that:
- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper 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 statements of changes in equity dealt with by this Report are in agreement with the books of accounts;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) 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 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, 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, 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 financial statements – Refer Note 32 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; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SUNDARESHA&ASSOCIATES
Chartered Accountants
(Firm Registration No.008012S)

(CHAITANYA G DESHPANDE)
Membership No.230802
Partner

UDIN: 20230802AAAAAQ2306



Place: Bangalore
Date : 22.05.2020



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ANNEXURE A"TO THE INDEPENDENT AUDITOR'S REPORT

The "Annexure A" referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st 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) According to the information and explanation given to us by the management, the fixed assets have been physically verified in a phased and periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. As explained to us by the management, no material discrepancies are noticed on such verification.
 - (c) The Company does not hold any immovable properties. Thus, paragraph 3(i) (c) of the Order is not applicable to the Company.
- ii. According to the information and explanation provided to us, physical inventory has been verified at reasonable intervals by the management and no material discrepancies were noticed on such physical verification.
- iii. The Company has granted loans to two bodies corporate covered in the register maintained under section 189 of the Act.
 - (a) The terms and conditions of grant of such loans are not prima facie prejudicial to the interest of the Company.
 - (b) The repayment terms are not fixed, thus paragraph 3(iii)(b) and 3(iii)(c) 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 185 and 186 of the Act, to the extent applicable, with respect to the loans and investments made except in an instance as detailed below.
- v. As explained by the management, the Company has not provided any guarantee or security in connection with loans taken by others.
- vi. The Company has not accepted any deposits from the public. Thus, paragraph 3(v) of the Order is not applicable to the Company.
- vii. As explained by the management, 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. Thus, paragraph 3(vi) of the Order is not applicable to the Company.
- viii. (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 is generally regular in depositing the amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods And Service tax, income tax, sales tax, service tax, duty of customs, value added tax, cess and other statutory dues with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.





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According to the information and explanations given to us, no undisputed statutory dues including Goods And Service tax, income tax, sales tax, service tax, duty of customs, value added tax, cess and other statutory dues were in arrears, as at March 31, 2020, 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 duty of customs, sales tax, duty of excise, service tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (Rupees in thousands)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	59	Assessment year 2012-2013	CIT (Appeals)
Income tax Act, 1961	Tax Deducted at Source	758	Assessment year 2013-2014	CIT (Appeals)

In our opinion and according to the information and explanations given to us, the Company is generally regular in repayment of dues to the financial institutions or banks. The Company has not availed any loan from Government and has not issued any debentures during the year.

- ix. The term loans raised during the year have been applied for the purposes for which those are raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).
- x. According to the information and explanations given to us and on the basis of test checks carried out in accordance with the generally accepted auditing procedures, 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 and amendments provided in Companies Amendment Rules, 2015.
- 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, the provisions of sections 177 and 188 of the Act are not applicable to the Company. Details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.





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- 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 theyear.
- 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 to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SUNDARESHA & ASSOCIATES
Chartered Accountants
(Firm Registration No.008012S)



(CHAITANYA G DESHPANDE)
Membership No.230802
Partner
UDIN: 20230802AAAAAQ2306

Place: Bangalore
Date : 22.05.2020

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ANNEXURE B" TO THE INDEPENDENT AUDITOR'S 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 M/s.Magnasoft Consulting India Private Limited ("the Company") as of 31st March 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 (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 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 and presentation 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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





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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, based on the test checks conducted by us, the Company has, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting, were prima facie 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 SUNDARESHA & ASSOCIATES
Chartered Accountants
(Firm Registration No.008012S)

(CHAITANYA G DESHPANDE)
Membership No.230802
Partner

UDIN: 20230802AAAAAQ2306



Place: Bangalore
Date : 22.05.2020

Magnasoft Consulting India Private Limited
Standalone Balance sheet

	Note	Amount (in Rs. thousands.)	
		As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	16,815	47,597
Right-of-use assets	3.2	28,845	-
Other intangible assets	4	12,782	87,777
Intangible assets under development	4	-	34,552
Financial Assets			
- Investments	5	87	87
- Other non-current financial assets	6	9,106	9,464
Deferred tax assets (net)	7	1,34,599	1,21,900
Other non-current assets	8	1,110	1,861
Total non-current assets		2,03,344	3,03,238
Current assets			
Inventories	9	443	-
Financial assets			
- Trade receivables	10	47,767	36,557
- Cash and cash equivalents	11	17,537	35,943
- Bank balances other than note 11	12	51,056	2,744
- Other current financial assets	13	31,943	35,424
Current tax assets (net)	14	3,032	1,865
Other current assets	15	5,647	7,063
Total current assets		1,57,425	1,19,596
Total assets		3,60,769	4,22,834
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	33,623	33,623
Other equity	17	1,20,060	1,51,236
Total equity		1,53,683	1,84,859
Non-current liabilities			
Financial liabilities			
- Borrowings	18	92,474	43,956
Provisions	19	15,953	10,037
Total non-current liabilities		1,08,428	53,993
Current liabilities			
Financial liabilities			
- Borrowings	20	-	69,813
- Other financial liabilities (other than those specified above)	21	83,972	95,555
Provisions	22	4,018	2,705
Other current liabilities	23	10,668	15,909
Total current liabilities		98,658	1,83,982
Total equity and liabilities		3,60,769	4,22,834

Significant accounting policies

1 & 2

The notes from 1 to 46 form an integral part of the Standalone Financial Statements

As per our report of even date attached

for **Sundaresha & Associates**

Chartered Accountants

Firm registration number : 008012S



Chaitanya G Deshpande

Partner

Membership no.: 230802



for and on behalf of the Board of Directors of

Magnasoft Consulting India Private Limited



Bobbie H Kalra

Director

DIN: 00324575



Abraham Mathews

Director

DIN: 01814618

Place: Bangalore

Date: 22 May 2020

Bangalore

Date: 22 May 2020

Bangalore

Date: 22 May 2020

Magnasoft Consulting India Private Limited
Standalone Statement of Profit and Loss

	Note	Amount (in Rs. thousands.)	
		For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	24	4,48,361	4,76,736
Other income	25	1,65,157	1,03,034
Total income		6,13,518	5,79,769
Expenses			
Purchases of stock-in-trade		1,132	-
Changes in inventories of traded goods	26	(443)	1,858
Employee benefits expense	27	2,97,929	3,14,310
Finance costs	28	19,380	25,192
Depreciation and amortization expense	29	55,570	55,416
Other expenses	30	1,69,699	4,31,386
Total expenses		5,43,267	8,28,162
Profit before exceptional items and tax		70,251	(2,48,393)
Exceptional Items	33	1,04,493	-
Profit before tax		(34,242)	(2,48,393)
Tax expense:			
- Current tax	31	-	3,949
- Deferred tax	31	(9,217)	(58,551)
Profit for the Period		(25,024)	(1,93,790)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plan actuarial gains/ (losses)		(4,213)	107
Less: Income tax relating to items that will not be reclassified to profit or loss		(1,172)	30
Other comprehensive income for the year		(3,041)	78
Total Comprehensive Income for the year		(28,065)	(1,93,713)
Earnings per equity share:			
- Basic		(0.83)	(5.76)
-Diluted		(0.83)	(5.76)

Significant accounting policies

1 & 2

The notes from 1 to 46 form an integral part of the Standalone Financial Statements

As per our report of even date attached

for **Sundaresha & Associates**

Chartered Accountants

Firm registration number: 008012S

Chaitanya G Deshpande

Partner

Membership no.: 230802

Place: Bangalore

Date: 22 May 2020

for and on behalf of the Board of Directors of

Magnasoft Consulting India Private Limited

Bobbie H Kalra

Director

DIN: 00324575

Bangalore

Date: 22 May 2020

Abraham Mathews

Director

DIN: 01814618

Bangalore

Date: 22 May 2020



Magnasoft Consulting India Private Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2020

a Equity share capital	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
<i>Equity shares of Re 1 each issued, subscribed and fully paid</i>		
Balance at the beginning of the reporting year	33,623	33,623
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	33,623	33,623

b Other Equity

For the year ended 31 March 2020

Particulars	Reserves and Surplus				Remeasurements of		Total
	Securities Premium	Share Options Outstanding Account	Retained Earnings	Guarantee Premium Account	defined benefit plan liability/asset		
Balance as at 1 April 2019	87,941	307	60,137	1,913	939	1,51,236	(5,994)
Impact of adoption of Ind AS 116, net of tax effect	-	(307)	(25,024)	-	-	(25,331)	3,190
Profit or (loss) during the year	-	3,016	-	174	(3,041)	(3,041)	-
Addition during the year	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-
Total comprehensive income	-	2,709	(31,018)	174	(3,041)	(31,176)	-
Contributions and distributions:							
Share-based payment	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-
Balance as at 31 March 2020	87,941	3,016	29,119	2,086	(2,102)	1,20,060	-



Signature

Signature

Magnasoft Consulting India Private Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2020

For the year ended 31 March 2019

Particulars	Reserves and Surplus			Remeasurements of		Total
	Securities Premium	Share Options Outstanding Account	Retained Earnings	Guarantee Premium Account	defined benefit plan liability/asset	
Balance as at 1 April 2018	87,941	812	2,53,927	1,650	861	3,45,192
Profit or (loss) during the year	-	(505)	(1,93,790)	-	-	(1,94,296)
Addition during the year	-	-	-	263	-	263
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	78	78
Total comprehensive income	-	(505)	(1,93,790)	263	78	(1,93,956)
Contributions and distributions:						
Share-based payment	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-
Balance as at 31 March 2019	87,941	307	60,137	1,913	939	1,51,236

Significant accounting policies

The notes from 1 to 46 form an integral part of the Standalone Financial Statements

As per our report of even date attached

for **Sundaresha & Associates**

Chartered Accountants

Firm registration number : 008012S



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Chaitanya G Deshpande
Partner

Membership no.: 230802

Place: Bangalore

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for and on behalf of the Board of Directors of
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Bobbie H Kalra
Director

DIN: 00324575

Bangalore

Date: 22 May 2020

Handwritten signature

Abraham Mathews
Director

DIN: 01814618

Bangalore

Date: 22 May 2020

Magnasoft Consulting India Private Limited
Standalone Statement of Cash Flows for the year ended 31 March 2020

	Amount (in Rs. thousands.)	
	For the period ended 31 March 2020	For the period ended 31 March 2019
Cash flows from operating activities		
Profit before tax	(34,242)	(2,48,393)
Adjustments:		
- Interest income (including fair value change in financial instruments)	(2,725)	(1,923)
- Gain/ (loss) on sale of property, plant and equipment	128	1,023
- Interest expense (including fair value change in financial instruments)	10,218	25,192
- Interest expense (Ind AS 116)	8,989	-
- Share based payments	2,709	(454)
- Depreciation and amortization	55,570	55,416
- Contract Assets written off	-	22,069
- Bad debts written off	71,421	84,567
- Provision for doubtful debts	8,019	1,72,306
- Provision no longer required written back	(1,15,705)	(6,846)
- Impairment of Intangible Assets	1,04,493	-
- Loss on Asset Discarded	529	1,831
- Gurantee cost	174	263
- Net foreign exchange (gain)/ loss	(22,920)	(8,407)
- (Gain)/ loss on Lease Termination	(7,816)	-
Operating cash flow before working capital changes [A]	78,842	96,645
<i>Changes in</i>		
- Trade receivables	6,813	(34,000)
- Current and non-current financial assets	5,462	6,227
- Other current and non-current assets	1,011	(2,936)
- Inventories	(443)	1,858
- Current and non-current financial liabilities	19,676	(22,105)
- Other current and non-current liabilities	(3,106)	485
Cash generated from operations	1,08,255	46,173
Income taxes paid	(1,167)	(17,445)
Cash generated from / (used in) operations	1,07,088	28,728
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,042)	(40,497)
Proceeds from sale of property, plant and equipment	47	1811
(Investment in) of fixed deposits	(48,312)	(197)
Interest received	1,294	1,923
Net cash generated from/(used in) investing activities [B]	(54,013)	(36,960)
Cash flows from financing activities		
Proceeds from short term borrowings	(19,813)	7,031
Interest paid	(10,218)	(23,289)
Proceeds from/(Repayment of) lease Liabilities	(38,620)	33,086
Repayment of long term loans	(2,830)	4,474
Net cash used in financing activities [C]	(71,482)	21,302
Increase in cash and cash equivalents [A + B + C]	(18,406)	13,070
Cash and cash equivalents at the beginning of the year	35,943	22,873
Effect of movements in exchange rates on cash held	-	0
Cash and cash equivalents at the end of the year	17,537	35,943
Components of cash and cash equivalents (refer note 11)		
Balances with banks:		
- in current accounts	17,223	35,678
- in fixed deposits	248	229
Cash on hand	1	11
Foreign currency cash	65	26
Cash and cash equivalents at the end of the year	17,537	35,943

Reconciliation of liabilities from financing activities

	As at 31 March 2019	Proceeds	Repayment	As at 31 March 2020
Long-term loans (including current portion)	5,457	383	(3,213)	2,627
Long-term borrowings (including current portion)	26,326	2,237	(14,284)	14,279
Short Term Borrowings	69,813	4,24,615	(4,94,429)	-
	1,01,596	4,27,236	(5,11,926)	16,906

The notes from 1 to 46 form an integral part of the Standalone Financial Statements

As per our report of even date attached

for **Sundaresha & Associates** for and on behalf of the Board of Directors of
Chartered Accountants **Magnasoft Consulting India Private Limited**
Firm registration number: 008012S

Chaitanya G Deshpande
Partner
Membership no.: 230802

Bobbie H Kalra
Director
DIN: 00324575

Abraham Mathews
Director
DIN: 01814618

Place: Bangalore
Date: 22 May 2020

Bangalore
Date: 22 May 2020

Bangalore
Date: 22 May 2020

Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

1 Company background

Magnasoft Consulting India Private Limited (Company) is incorporated w.e.f. 24.03.2000. The Company is engaged in the business of providing Information Technology Enabled Services (ITES) such as Geospatial and Engineering services. The Company is carrying on its business through Software Technology Park and Special Economic Zones.

2 Basis of preparation of financial statements

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

The Standalone financial statements have been prepared on a historical cost basis, except for the following which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- liabilities for cash-settled share-based payment arrangements,
- the defined benefit asset is recognised as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation,
- Contingent consideration

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

2.1 Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits, useful lives of property, plant and equipment, valuation of deferred tax assets, fair value measurement of financial instruments, provisions and contingent liabilities have been discussed in their respective policies.

Estimation of uncertainties relating to the global health pandemic from COVID-19:

The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues and Investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of related information. Due to COVID – 19 pandemic situations, The policy of recognizing of Allowance for expected credit loss has been broaden from 180 days to 120 days. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

2.2 Functional and presentation currency

These Company financial statements are presented in Indian Rupees, which is the Company's functional currency. All financial information presented in Indian rupee.

2.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
 - Held primarily for the purpose of trading,
 - Expected to be realised within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

A liability is current when:

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

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle.

2.4 Property, plant and equipment and other intangible assets

Property, plant and equipment:

Fixed assets are stated at the cost of acquisition inclusive of freight, duties, levies, up to the date of ready to use and any directly attributable cost of bringing the asset to their working condition for intended use at site after adjusting transit insurance claim, if any, but excluding refundable taxes from tax authorities.

The borrowing costs incurred in respect of a qualifying asset is capitalised to the respective asset upto the date of substantial completion of the asset.

Advance paid towards the acquisition of fixed assets outstanding at each balance sheet are shown under capital advances. The cost of property, plant and equipment not ready for their intended use before such date, are disclosed as capital work in progress.

Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Expenses incurred for software product development are recognised as intangible asset on satisfaction of technical and commercial feasibility of the project is demonstrated, Intention and ability to complete and use or sell the software and future economic benefits are probable and the cost can be measured reliably.

Development costs or acquisition costs, of new software to be developed and sold to many customers, clearly associated with an identifiable and unique product, which will be controlled by the company and has probable benefit exceeding its cost beyond one year, are recognised as an intangible asset and amortised over the software's expected useful life. Associated costs include staff costs of the development team and an appropriate portion of overheads, but exclude the cost of maintaining the software, which is expensed off as and when it is incurred. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation.

Expenses incurred after completion of software will be recognised as intangible asset, if it is probable that the expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and the expenditure can be measured and attributed to the asset reliably.

Intangible assets with finite lives are amortised over the useful economic life on a straight- line basis, commencing from the date is available to the Company for its use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Presently for internally developed software useful life is estimated at 3 to 5 years.

Capital Work in progress/ Intangible asset under development:

Cost of fixed assets not 'ready to use' before the year-end are classified and disclosed as Capital Work in progress/ Intangible asset under development.



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

Depreciation methods, estimated useful lives and residual value

Depreciation is charged on a straight line basis so as to write off the depreciable amount of the assets over the useful life of the assets as mentioned in the following table, w.e.f 01.04.2014, in line with Schedule II of the Companies Act, 2013. In respect of assets acquired prior to 01.04.2014, the carrying amount as on 01.04.2014 is depreciated over the remaining useful life. In respect of assets where the remaining useful life of an asset is nil as on 01.04.2014, the same (after retaining the residual value) is recognized in the opening balance of retained earnings.

Depreciation / amortization is charged on proportionate basis for all assets put to use during the reporting period or decapitalized during the period.

In respect of intangible assets amortization is charged on straight line basis so as to write off the cost of the asset over its useful life as mentioned in the following table :

Asset category	Useful Life (years)
Tangible Assets	
Computers and data processing units	
i) Servers and networks	6
ii) End user devices, such as laptops, computers, etc.	3
Office Equipment	5
Electrical Fittings and equipment	10
Furniture & Fixtures	10
Intangible Assets	
Computer Software	5
North Star Software	3

Freehold land is not depreciated. The building built on leasehold land is classified as building and is amortised over the lease term or the useful life of the building, whichever is lower.

2.5 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a Group of assets comprising a cash-generating unit may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. For an asset or Group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognised.

2.6 Inventories

Inventories are valued at the lower of cost and net realizable value. 'Cost' comprises purchase cost and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Nature of inventory	Method of valuation
Stock-in-trade	At cost on a FIFO basis

The comparison of cost and net realizable value is made on an item by item basis. The Company periodically assesses the inventory for obsolescence and slow moving stocks. The net realizable value of work in progress is determined with reference to the net realizable value of the related finished goods.



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Notes to the Standalone Financial Statements for the year ended 31 March 2020

2.7 Revenue recognition

The revenues from ITES are recognized based on the percentage completion method of accounting as per IND AS 115.

Effective April 1, 2018 the company adopted Ind AS 115 "Revenue from Contract with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018.

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

Arrangements with customers for software related services are either on a fixed-price, fixed-time frame or on a time-and-material basis. The revenues from other software services are 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 from the services are recognized upon delivery and installation, as and when the title and risk passes on to the customer.

Revenue from traded goods are recognized upon delivery, as and when the title and control passes on to the customer.

Revenues in excess of invoicing are classified as Unbilled Revenue while invoicing in excess of revenues are classified as Unearned Revenues at the end of the reporting period

2.8 Expenditure

Project related costs such as salaries, travel and other expenses incurred where the conditions for revenue recognition is not met and there is alternative use, such costs would be carried in the books as Work-in-progress as on Balance Sheet date. Provisions are made for all known losses / liabilities based on the actual and any estimated cost to come on achievement of specific milestone.

2.9 Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs.1,30,236 thousands, and a lease liability of Rs.1,37,375 thousands. The cumulative effect of applying the standard of Rs.5,994 thousands net of taxes was adjusted to opening balance of retained earnings.

Under modified retrospective approach, the company records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The company account for a lease modification as a separate lease if:

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

For a lease modification that is not accounted for as a separate lease, the company accounts for the remeasurement of the lease liability by:
(a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The company recognised in profit or loss any gain or loss relating to the partial or full termination of the lease.
(b) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

The company has not applied the requirements in paragraph 22-49 of Ind As 116 to short term leases and the the leases for which the underlying asset is of low value.

2.10 Investments and other financial assets

a) Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

b) Measurement

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

Equity instruments

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

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

c) Impairment of financial assets

For trade receivables and other advances only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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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2.11 Financial liabilities

a) Initial recognition and measurement

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

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

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.

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 risks are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

2.12 Amortised cost

This is the category most relevant to the Company. 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

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are recognised as a financial asset at the time the guarantee is taken. The asset is initially measured at fair value and subsequently amortised over the guarantee period.

Where guarantees in relation to loans or other payables are provided by Company companies for no compensation, the fair values are accounted for as contributions and recognised as part of equity.



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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.

2.13 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 and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

b) Short-term benefit plans

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised and 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.

c) Other long-term benefit plans

Cost of long term benefits by way of accumulating compensated absences arising during the tenure of service is calculated taking into account the pattern of an ailment of leave. Further, in respect of encashment of leave the defined benefit is calculated taking into account all types of increments and qualifying salary projected up to assumed date of encashment. The present value of obligations towards an ailment and encashment under such long term benefit is determined based on actuarial valuation carried out by an independent actuary using Projected Unit Credit Method as at the year end. 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. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

d) Defined contribution plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

e) Share based payments to Employees

The Company accounts for share-based payments based on fair value method. The compensation cost relating to employee is recognised as an employee benefits expense with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled i.e vesting period in employee benefits expense. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

The company has adopted Amendment to Ind AS 19 – 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements effective from 01 April, 2019

As per the amendments, the company:

- Uses updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- Recognises 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 recognised because of the impact of the asset ceiling.

The Company remeasured the defined benefit obligation during the year ended 31 March, 2020, and effect of past service cost on adoption of this amendment is insignificant in financial statements.

2.14 Foreign currency transactions

Revenue items:

In the case of transactions in foreign currency, rate of exchange prevailing on the dates of respective transactions shall be adopted for accounting.

Monetary items:

Foreign currency monetary items shall be reported using the closing rate. However, in certain circumstances, where the closing rate may not reflect with reasonable accuracy the amount in reporting currency that is likely to be realized from, or required to disburse, a foreign currency monetary item at the balance sheet date, e.g., where there are restrictions on remittances or where the closing rate is unrealistic and it is not possible to effect an exchange of currencies at that rate at the balance sheet date. In such circumstances, the relevant monetary items shall be reported in the reporting currency at the amount which is likely to be realised from, or required to disburse, such item at the balance sheet date.

Non-Monetary items:

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency shall be reported using the exchange rate that existed on the date of such transaction

Exchange Fluctuation:

Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

2.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.



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2.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

Other borrowing costs are expensed in the period in which they are incurred.

2.17 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from 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 reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI 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.

Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement'. The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Accordingly, MAT Credit Entitlement is grouped with Deferred Tax Asset (net) in the Balance Sheet.

2.18 Deferred tax

The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The company has adopted Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments effective from April 1, 2019.

According to the appendix, the company determines the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the company have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

The company has adopted Amendment to Ind AS 12 – Income taxes, in connection with accounting for dividend distribution taxes effective from April 1, 2019.

The Company recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The effect on adoption of amendment to Ind AS 12 would be insignificant in standalone financial statements



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Notes to the Standalone Financial Statements for the year ended 31 March 2020

2.19 Provisions and contingent liabilities

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 can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

2.20 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.21 Cash flow statement

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

2.22 Earnings per share

The basic earning per share is computed by dividing the net profit/ (loss) attributable to owner's 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.

2.23 Share-based payments

The Company accounts for share-based payments based on fair value method. The compensation cost relating to employee is recognised as an employee benefits expense and non-executive directors recognised as other expenses with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.24 Segment reporting

The COO and MD of the company is identified as a chief operating decision maker (CODM) as defined in Ind AS 108 - Operating Segments. The CODM evaluates the Company performance based on an analysis of various performance indicators by geographical segments.

The company is structured into six geographical segments, namely Africa, Americas, Asia Pacific, Europe, Middle East, and Oceania. The reportable geographical segments are in line with the segment-wise information that is provided to the CODM.



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

3.1 Property, plant and equipment

	Amount (in Rs. thousands.)				Total
	Owned			Leased	
	Plant and Equipment	Office equipment	Furniture and fixtures	Plant and equipment	
Gross carrying amount (deemed cost)					
Balance as at 1 April 2018	70,727	7,009	13,704	60,028	1,51,468
Additions	12,342	2,777	1,697	18,429	35,246
Deletions					
- Sold	46	-	-	2,942	2,988
- Discarded	26,473	482	31	-	26,986
Balance as at 31 March 2019	56,550	9,304	15,371	75,515	1,56,740
Balance as at 1 April 2019	56,550	9,304	15,371	75,515	1,56,740
Additions	486	606	-	-	1,092
Deletions					
- Sold		220			220
- Discarded		399	196		594
- Reclassified on account of adoption of Ind AS 116	-	-	-	75,515	75,515
Balance as at 31 March 2020	57,036	9,292	15,175	-	81,503
Accumulated depreciation					
Balance as at 1 April 2018	54,048	4,414	10,440	41,294	1,10,196
Charge for the year	9,399	1,026	1,567	12,262	24,255
Disposals					
Disposals	43			110	153
- Discarded	24,816	323	16	-	25,155
Balance as at 31 March 2019	38,588	5,118	11,992	53,446	1,09,144
Balance as at 1 April 2019	38,588	5,118	11,992	53,446	1,09,144
Charge for the year	7,022	1,136	944		9,103
Disposals					
- Sold		46			46
- Discarded		50	16		65
- Reclassified on account of adoption of Ind AS 116				53,446	53,446
Balance as at 31 March 2020	45,610	6,158	12,920	0	64,688
Carrying amount:					
As at 31 March 2019	17,963	4,187	3,379	22,069	47,597
As at 31 March 2020	11,426	3,134	2,255	-0	16,815

Notes:

Finance leases

a) Leased plant and machinery represents assets acquired under finance leases contracts as per the erstwhile Ind As 17: leases. Leased assets are pledged as security for the related finance lease liabilities.

b) Net carrying value of assets procured under the finance lease of Rs. 22,069 thousands as on 01 April, 2019 (gross carrying and accumulated depreciation value Rs. 75,515 thousands and Rs.53,446 thousands respectively) have been reclassified from Property Plant and Equipment to right-of-use assets on adoption of Ind As 116 Leases w.e.f 01 April, 2019.



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

3.2 Right-of-Use of Assets

	Amount (in Rs. thousands.)		
	Leased		Total
	Building	Plant and equipment	
Gross carrying amount (deemed cost)			
Balance as at 1 April 2018	-	-	-
Additions	-	-	-
Deletions			
Balance as at 31 March 2019	-	-	-
Balance as at 1 April 2019	-	-	-
Reclassified on account of adoption of Ind AS 116 (Refer to note No 3.1)		75,515	75,515
Additions on account of adoption of Ind AS 116 (Refer to note No 38)	1,59,996	-	1,59,996
Deletions			
- Lease Termination	1,15,287		1,15,287
Balance as at 31 March 2020	44,709	75,515	1,20,224
Accumulated Amortisation			
Balance as at 1 April 2018	-	-	-
Charge for the year	-	-	-
Disposals			
Balance as at 31 March 2019	-	-	-
Balance as at 1 April 2019	-	-	-
Reclassified on account of adoption of Ind AS 116 (Refer to note No 3.1)		53,446	53,446
Adjustment to retained earnings on account of adoption of Ind AS 116	29,760	-	29,760
Charge for the year	24,047	11,416	35,463
Deletions	27,291	-	27,291
Balance as at 31 March 2020	26,516	64,863	91,379
Carrying amount:			
As at 31 March 2019	-	-	-
As at 31 March 2020	18,192	10,652	28,845

Notes:

- Leased plant and machinery represents assets acquired under finance leases contracts as per the erstwhile Ind As 17: leases. Leased assets are pledged as security for the related finance lease liabilities.
- Net carrying value of assets procured under the finance lease of Rs. 22,069 thousands as on 01 April, 2019 (gross carrying and accumulated depreciation value Rs. 75,515 thousands and Rs.53,446 thousands respectively) have been reclassified from Property Plant and Equipment to right- of-use assets on adoption of Ind As 116 Leases w.e.f 01 April, 2019.
- Prepaid rent on Buildings, which were earlier classified under Other current assets and Other non current assets have been adjusted to right-of-use assets by Rs.1,156 thousands



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

4 Intangible assets

	Amount (in Rs. thousands.)		
	Computer software	Total	Intangible assets under development
Gross carrying amount (deemed cost)			
Balance as at 1 April 2018	2,56,037	2,56,037	28,431
Additions	-	-	6,121
Deletions	-	-	-
Balance as at 31 March 2019	2,56,037	2,56,037	34,552
Balance as at 1 April 2019	2,56,037	2,56,037	34,552
Additions	5,950	5,950	-
Deletions	-	-	-
Balance as at 31 March 2020	2,61,987	2,61,987	34,552
Accumulated amortisation & Impairment			
Balance as at 1 April 2018	1,37,099	1,37,099	-
Charge for the year	31,161	31,161	-
Disposals	-	-	-
Balance as at 31 March 2019	1,68,260	1,68,260	-
Balance as at 1 April 2019	1,68,260	1,68,260	-
Charge for the year	11,004	11,004	-
Impairment (Refer Note 33)	69,942	69,942	34,552
Disposals	-	-	-
Balance as at 31 March 2020	2,49,206	2,49,206	34,552
Carrying amount:			
As at 31 March 2019	87,777	87,777	34,552
As at 31 March 2020	12,782	12,782	-



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

5 Non-current investments

Particulars	Amount (in Rs. thousands.)	
	As at	As at
	31 March 2020	31 March 2019
<i>Un-quoted at cost</i>		
(i) Investment in equity instrument (fully paid-up)		
- Subsidiaries:		
M/s. Magnasoft Europe Limited	82	82
M/s. Magnasoft Spatial Services, Inc	0	0
(ii) Other investments		
National Saving Certificate	5	5
	87	87
Aggregate amount of unquoted investments	87	87

6 Other non-current financial assets

Particulars	Amount (in Rs. thousands.)	
	As at	As at
	31 March 2020	31 March 2019
Security Deposits	9,106	9,464
	9,106	9,464

7 Deferred tax assets, net

Particulars	Amount (in Rs. thousands.)	
	As at	As at
	31 March 2020	31 March 2019
Excess of depreciation provided in the books over depreciation allowable under income tax laws	29,321	1,323
Defined benefit obligations	5,556	3,545
Provision for Doubtful Trade receivables	27,828	45,385
Other disallowances	36,996	36,750
Minimum Alternate Tax credit entitlement	34,897	34,897
	1,34,599	1,21,900

8 Other non-current assets

Particulars	Amount (in Rs. thousands.)	
	As at	As at
	31 March 2020	31 March 2019
Advances other than capital advances:		
- Employee Welfare Trust	1,110	1,110
- Prepaid Rent	-	751
	1,110	1,861

Note:

Prepaid rent on Buildings Rs. 751 thousands, which were earlier classified under Other non current assets have been adjusted with right-of-use assets, following the company's adoption of Ind AS 116 that became effective from 1st April, 2019



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Magnasoft Consulting India Private Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2020

9 Inventories

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Traded goods	443	-
	443	-

10 Trade receivables

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Current		
Trade Receivables considered good - Unsecured		
Trade receivables	37,202	31,693
Receivables from related parties	10,565	4,864
Trade Receivables - Credit impaired	1,00,029	1,63,137
Receivables from related parties	-	-
	1,47,797	1,99,694
Less: Allowances for credit losses	(1,00,029)	(1,63,137)
	47,767	36,557

For terms and conditions relating to related party receivables, refer note 41.

Impact of COVID-19:

Trade receivables of Rs. 47,767 thousands as at March 31, 2020 forms a significant part of the financial assets, which is valued considering provision for allowance using expected credit loss method. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, implementation of new payment policy for new clients depending on severity of each case. Due to COVID – 19 pandemic situations, The policy of recognizing of Allowance for credit loss has been broaden from 180 days to 120 days. Basis this assessment, the allowance for doubtful trade receivables of Rs.1,00,029 thousands as at March 31, 2020 is considered adequate.

11 Cash and cash equivalents

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- in current accounts	17,223	35,678
- in fixed deposits	248	229
Cash on hand	66	37
	17,537	35,943

12 Bank balances other than note 11

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- in fixed deposit accounts with banks	51,056	2,744
	51,056	2,744



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

13 Other current financial assets

Particulars	Amount (in Rs. thousands.)	
	As at	As at
	31 March 2020	31 March 2019
Others		
Advances to related parties	31,862	34,620
Staff advance	81	804
	31,943	35,424

Note:

During the year ended 31st March, 2020, interest at the rate of 6.5% (current yeild rate of government securities is 6.22%) has been charged on advance to related parties. These advanceese are repayable on demand by the related parties.

14 Current tax Assets

Particulars	Amount (in Rs. thousands.)	
	As at	As at
	31 March 2020	31 March 2019
Opening balance	1,865	(9,728)
Less: Current tax payable for the year	-	3,949
Add: Tax paid during the year	1,167	15,541
Closing balance	3,032	1,865

15 Other current assets

Particulars	Amount (in Rs. thousands.)	
	As at	As at
	31 March 2020	31 March 2019
Security Deposits	-	200
Advances other than capital advances:		
- for supply of goods and rendering of services	574	423
- deposit with government authorities	3,429	2,518
- other receivable	45	40
- Prepaid Rent	-	405
Prepayments	1,599	3,476
	5,647	7,063

Note:

- a) Prepaid rent on Buildings, which were earlier classified under Other current assets have been adjusted with right-of-use assets by Rs.405 thousands following the company's adoption of Ind AS 116 that became effective from 1st April, 2019
b) Advance to related parties reclassified from other current asset to other current financial assets.



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

16 Share capital

(a) Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Authorised		
5,00,00,000 (31 March 2019: 5,00,00,000) equity shares of Re 1 each	50,000	50,000
Issued, subscribed and fully paid up	50,000	50,000
3,36,22,728 (31 March 2019: 3,36,22,728) equity shares of Re 1 each	33,623	33,623
	33,623	33,623

(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

	Amount (in Rs. thousands.) (except share data)	
	As at 31 March 2020	As at 31 March 2019
Number of shares at the beginning of the year	No of shares	Amount
Add: Shares issued/converted during the year	3,36,22,728	33,623
Number of shares outstanding at the end of the year	3,36,22,728	33,623

(c) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has one class of equity shares having a par value of Re 1 per share. Each shareholder is eligible for one vote per share held. The 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 equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts if any, in proportion to their shareholding.

(d) Particulars of each class of shares held by holding company

Particulars	As at 31 March 2020	As at 31 March 2019
Equity Shares		
Coffee Day Trading Limited	2,61,85,728	2,61,85,728







(e) Equity shareholders holding more than 5% of equity shares along with the number of equity preference shares held at the beginning and at the end of the year is as given below:-

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	% of holding	No of shares	% of holding	No of shares
Coffee Day Trading Limited	77.88%	2,61,85,728	77.88%	2,61,85,728
Mr. Bobbie H Kalra	18.14%	61,00,000	18.14%	61,00,000

(f) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

17 Other equity

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Securities premium	87,941	87,941
Share Options Outstanding Account	3,016	307
Retained earnings	29,119	60,137
Guarantee Premium Account	2,086	1,913
Remeasurements of defined benefit plan liability/asset	(2,102)	939
Nature and purpose of other reserves:	1,20,060	1,51,236

Capital reserves:

The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

Retained Earnings:

Retained Earnings comprise of the company's accumulated undistributed earnings / (losses).

Securities premium reserve:

Securities premium reserve is used to record the premium received on issue of shares by the Company. The reserve can be utilised in accordance with the provision of sec 52(2) of Companies Act, 2013.

Share Options Outstanding Account:

The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.

General reserve:

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

Remeasurements of defined benefit plan liability/asset

Remeasurements of defined benefit plan liability/asset comprises actuarial gains or losses and returns on plan asset, if any, excludes interest income.



Bobbie H Kalra

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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

18 Non-current borrowings

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Term loans		
- From other parties		
- Hewlett Packard Financial Services India Pvt Ltd (refer Note A)	435	3,223
Long-term maturities of finance lease obligations		
-Hewlett Packard Financial Services India Pvt Ltd (refer Note B)	2,982	12,978
Long-term Loans from related parties		
- Coffee Day Trading Limited	27,755	27,755
- Tanglin Development Limited	50,000	
Lease Liability (Ind AS 116)	11,302	-
	92,474	43,956

Information about Company's exposure to interest rate, foreign currency and liquidity risks is included in note 40.

Institution	Nature	Type	Amount	Terms and conditions
A. Hewlett Packard Financial Services India Pvt Ltd	Secured	Term Loan	2,627	Secured by Charge on movable fixed assets of the Magnasoft Consulting India Private Limited with WDV of Rs 2,818 thousands as on 31 March 2020; These loans carries a interest rate of 12% to 16% p.a. and each loan are repayable in 36 equal monthly instalments with effect from the date of disbursement of such loan.
B. Hewlett Packard Financial Services India Pvt Ltd	Secured	Finance lease obligations	14,279	Secured by Charge on movable fixed assets of the Magnasoft Consulting India Private Limited with WDV of Rs 10,665 thousands as on 31 March 2020; These loans carries a interest rate of 12% to 16% p.a. and each loan are repayable in 36 equal monthly instalments with effect from the date of disbursement of such loan.
C. Tanglin Development Limited	Unsecured		50,000	Loan Provided by entity under common control carries NIL rate of interest and repayable after 5 years
D. Coffee Day Trading Limited	Unsecured		27,755	Loan Provided by Holding Company carries NIL rate of interest and repayable after 5 years
E. Lease liability	Secured		21,307	Lease Liability has been recognised on adoption of Ind As 116. The weighted average incremental borrowing rate applied to lease liabilities is 12% and Non Cancellable lease tenure ranges from 1.5-5 years.

19 Non-current provisions

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
- gratuity	15,953	10,037
	15,953	10,037

20 Current borrowings

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Secured:		
Loan repayable on demand		
- from banks		
-Cash Credit		
- RBL Bank Limited	-	69,813
	-	69,813



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

Note:

During the year ended 31st March 2020, The Company repaid and closed the loan facility with RBL Bank Limited cash credit account.

Institution	Nature	Type	Amount	Terms and conditions
RBL Bank Limited	Secured	Loan repayable on demand	-	<p>Primary Security: First charge on the entire current assets of the company including of Stock and Book Debts, both present & future.</p> <p>First Charge on entire movable Fixed Assets of the company (excluding specifically financed by Term Loan/Financial Lease). <i>The same has been discharged on full satisfaction of charge during the year ended 31 March, 2020.</i></p> <p>Lien in favour of RBL on fixed deposit of INR 2,70,000 thousands by the Magnasoft Consulting India Private Limited. <i>The same has been discharged on full satisfaction of charge during the year ended 31 March, 2020.</i></p> <p>Personal Guarantee: Mr. V.G.Siddhartha and Mr. Bobbie H Kalra, Corporate guarantee by the holding company Coffee Day Trading Limited (formerly known as Global Technology Ventures Limited). <i>The same has been discharged on full satisfaction of charge during the year ended 31 March, 2020.</i></p> <p>Rate of Interest: For cash credit 12M MCLR plus 1%</p>

21 Other current financial liabilities

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Current maturity of long term loans (refer note 18)	2,192	2,235
Current maturity of finance lease obligation (refer note 18)	11,297	13,347
Lease Liability (Ind AS 116)	10,005	-
Others		
- Creditors for expenses(refer note 40)	46,436	69,047
- employee dues	11,245	10,086
- creditors for capital goods	2,797	840
	83,972	95,555

22 Current provisions

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
- Leave obligation	3,104	1,946
- Gratuity	914	759
	4,018	2,705

23 Other current liabilities

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Statutory dues	5,057	15,157
Advance from customers	1,529	446
Unearned Revenue	4,082	306
	10,668	15,909



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

24 Revenue from operations

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		
- Sale of traded goods	564	-
Sale of services		
- Income from software development and related services	4,47,797	4,76,736
	4,48,361	4,76,736

Impact of COVID-19

While the Company believes strongly that it has a rich portfolio of services to partner with customers, the impact on future revenue streams could come from

- the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers
- prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
- customers postponing their discretionary spend due to change in priorities

The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has taken steps to assess the budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meetings its obligations.

25 Other income

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income	2,343	1,634
Sale of export Licence	15,380	-
Interest on security deposits	381	289
Other non-operating income		
- Liability no longer required written back	3,351	1,375
- Provision for expenses written back	4,682	5,471
- Provision for doubtful debts no longer required written back	69,684	84,567
- Net gain/loss on foreign currency transactions and translation	22,920	8,407
-Share based payments to employees written back	-	454
-Gain/Loss on Lease Termination	7,816	-
-Provision for Service Tax no longer required written back*	3,978	-
- Liability no longer Payable (refer note 42)	34,010	-
- miscellaneous income	611	838
	1,65,157	1,03,034

Note:

* The company has reversed Rs. 3,978 thousands against liability towards service tax. The company has opted SVLDRS Scheme, announced by Central Government, during the year 2019-20 and settled the liability by paying Rs.265 thousands.

26 Changes in inventories of finished goods and work-in-progress

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Opening stock	-	1,858
(b) Closing stock	443	-
	(443)	1,858

Note

Closing stock for the period ended 31 March, 2020 includes the stock-in-transit of amounting Rs. 433 thousands.



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

27 Employee benefits expense

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	2,71,053	2,94,813
Contribution to provident and other funds	19,215	11,830
Share based payments to employees	1,580	-
Staff welfare expenses	6,080	7,667
	2,97,929	3,14,310

28 Finance costs

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense	15,948	19,142
Other borrowing costs	-	-
- Loan processing fees	1,132	1,628
- guarantee cost	174	263
- Interest on defined benefit obligation	955	1,702
-Interest on MSME Creditors (refer note 40)	7	-
- Interest on statutory dues	1,164	2,458
	19,380	25,192

29 Depreciation and amortization expense

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 3.1)	9,103	24,255
Amortization of intangible assets (note 4)	11,004	31,161
Amortization of Right of Use of Asset (Ind AS 116)	35,463	-
	55,570	55,416

30 Other expenses

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Rent	10,614	29,936
CSR Expenses (Refer Note 36)	1,400	-
Cost of purchased services	5,469	8,825
Power and fuel	12,099	12,941
Travelling and conveyance	13,046	24,159
Legal, professional and consultancy charges**	9,641	18,788
Audit fees (Refer Note 34)	510	510
Rates and taxes	448	10,179
Repairs and maintenance	9,454	3,612
Subscription and Membership	4,685	3,739
Communication expenses	5,162	7,509
Subcontracting charges	1,203	1,214
Equipment hire charges	4,308	7,600
Office maintenance and utilities	2,426	7,256
Insurance	1,454	790
Security charges	2,387	3,143
Loss on sale of Fixed Assets	128	1,061
Bad debts written off	71,421	84,567
Advance written off	-	7,592
Provision for doubtful debts	8,019	1,72,306
Bank Charges	1,727	1,328
Recruitment charges	983	204
Contract Assets written off	-	22,069
Loss on Asset Discarded	529	1,831
Miscellaneous expenses	2,587	226
	1,69,699	4,31,386

**Share based payments to non-executive directors included in Legal, professional and consultancy charges amounting Rs. 1,129 thousands (Refer note 35).



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

31 Income tax

(a) Major components of income tax expense for the years ended 31 March 2020 and 31 March 2019:

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	-	3,949
	-	3,949
Deferred tax:		
Relating to origination and reversal of temporary differences	(9,217)	(60,565)
Recognition of previously unrecognised/ (derecognition of previously recognised) deductible temporary differences	(2,310)	-
Minimum Alternate Tax		
-Current years	-	-
-Adjustments in respect of current income tax of previous year	-	2,044
	(11,528)	(58,521)
Income tax expense reported in the statement of profit or loss	(11,528)	(54,572)

(b) Deferred tax related to items recognised in OCI during in the year:

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of defined benefit liability/ (assets)	(1,172)	30
Income tax charged to OCI	(1,172)	30

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax from continuing operations	(34,242)	(2,48,393)
Profit/ (loss) before tax from discontinuing operations		
Profit before income tax	(34,242)	(2,48,393)
Tax at the Indian tax rate of 27.82% (PY 27.82%)	(9,526)	(69,103)
Non-deductible expenses for tax purposes:		
- Depreciation as per books	15,460	15,417
- Other non-deductible items	36,673	49,529
Deductible expenses for tax purposes:		
- Depreciation as per Income Tax Act	(10,890)	(9,028)
- Other deductible items	(31,717)	(23,526)
Temporary difference during the period	(12,700)	(60,565)
Tax on Remeasurement of defined benefit liability/ (assets)	-	-
Expenses that are not deductible in determining taxable profit	-	-
Adjustment with brought forward Loss of previous year	-	-
Tax exempt income	-	-
Income taxed at special rates	-	36,750
Adjustments in respect of current income tax of previous years	-	5,993
Income tax expense	(12,700)	(54,534)

d) Uncertain tax position

Refer Note 32 for statutory dues under dispute.



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

32 Contingent liabilities, commitments and contingent assets

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Contingent liabilities:		
Bank Guarantees	125	125
Statutory dues under dispute	59	59

The company has received income tax assessment order for Asst. Year 2012-13 with a demand of Rs.59 thousands and a disallowance of loss of Rs.2,174 thousands. The company had gone on appeal on the said order before Commissioner of Income Tax (Appeals). CIT Appeals has allowed substantial relief in its order dated 09.05.2017. On one of the issues the CIT appeals had dismissed the grounds of appeal. On further appeal the ITAT in its order dated 11.01.2018 has remitted the matter back to CIT appeals.

33 Impairment of Assets

Previous management wanted to continue with the line of Business, further invest in it develop. The Company has also received an approval from DSIR (Department for Scientific & Industrial Research.) for research and development. Based on the management future plans to grow the business, hence impairment was not required. Current management wants to focus more on the core business of Digital mapping services and reduce the focus on low liquidity business. The management decided that Northstar business is not the core business hence the carrying amount related to Northstar was impaired based on the technology market and other factors - company decided to impaired the carrying cost.

The management has carried out the impairment testing for the cash-generating unit ('CGU') Northstar business unit. The management has assessed the recoverable amount of the CGU based on the changes in market conditions, technology disruptions, competition and future cash flow which amounts to Rs.10,000 thousands.

Carrying value of the assets relating to Northstar as at 30th June 2019 after depreciation and amortization are as follows.

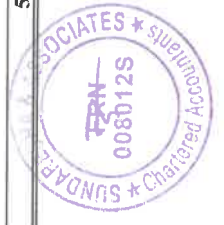
- Computer Software Rs.75,083 thousands
- Computer software under development Rs.34,552 thousands
- Equipment Rs.4,858 thousands
- Total Rs.1,14,493 thousands

The difference between the recoverable amount and carrying amount has resulted in an exceptional impairment charge of Rs.1,04,493 thousands being recognised within 'Exceptional Items' in the statement of profit and loss for the year ended 31 March 2020.

The above recoverable amount of Rs.10,000 thousands has been allocated towards computer software Rs.5,142 thousands and Equipment of Rs.4,858 thousands.

34 Auditor's remuneration (included in legal and professional charges and excludes service tax)

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditor		
- for statutory audit	410	410
- for taxation audit	100	100
- for other services	-	-
	510	510



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

35 Share-based payments

Certain employees of the Company have received employee stock options ('ESOP') on the shares granted by a trust sponsored by the promoters of the Company. The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account. In accordance with Ind AS 102 - Share-based Payments, the necessary disclosures have been made for grants made as described below.

Stock Option Plan (the Plan-A):

On 10 December, 2014 and 21 September, 2015 pursuant to the approval by board, the Company granted share based incentives to eligible employees under the Plan-A .

The Plans are administered by the Board of the Company.

Under the plans, the options will be issued to employees at an exercise price, which may be decided by the Board from time to time. The equity shares covered under these options vest over a period of 12 to 36 months from the date of grant.

Stock Option Plan (the Plan-B):

The Company will issue fresh shares of 13,61,078 equity shares of the Company to eligible employees, under ESOP Plan-B.

On November 06, 2019 pursuant to approval by Board , the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company under the 2019 Plan. The maximum number of shares under the 2019 plan shall not exceed 13,61,078 equity shares. The Stocks granted under the 2019 plan shall vest based on the achievement of defined parameters as determined by the Administrator.

Under the plans, the options will be issued to employees at an exercise price, which may be decided by the Board from time to time. The equity shares covered under these options vest over a period of 12 to 36 months from the date of grant.

The movements in the options under the plans during the period ended 31 March 2020 and 31 March 2019 is set out below:

Shares arising out of options- Plan A

Granted to Employees

Grant data	10-Dec-14		21-Sep-15	
	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17
Outstanding	-	-	-	-
Granted	10,000	10,000	7,000	7,000
Forfeitures	-	-	-	-
Exercised	-	-	-	-
Expired*	10,000	10,000	7,000	7,000
Outstanding	-	-	-	-
Exercisable	-	-	-	-

* 51000 shares got expired in the year 2019-20 and hence corresponding expense has been reversed in the books.

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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

Shares arising out of options- Plan B

(i). Grant to Employees

Grant No. Grant Date Vest Date	Grant 1			Grant 2		
	01-Apr-21	01-Apr-22	01-Apr-23	01-Apr-21	01-Apr-22	01-Apr-23
Opening	-	2,90,617.00	5,81,234	-	13,600	27,200
Granted	3,28,017	3,28,017	3,28,017	13,600	13,600	13,600
Forfeitures	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Expired	37,400	37,400	37,400	-	-	-
Outstanding	2,90,617	5,81,234	8,71,851	13,600	27,200	40,800
Exercisable	2,90,617	5,81,234	8,71,851	13,600	27,200	40,800

(ii). Grant to Non-Executive Directors

Grant No. Grant Date Vest Date	Grant 1A	
	06-Nov-19	28-Jan-21
Opening	-	1,12,076
Granted	1,12,076	1,12,076
Forfeitures	-	-
Exercised	-	-
Expired	-	-
Outstanding	1,12,076	2,24,152
Exercisable	1,12,076	2,24,152

Break-up of employee stock compensation expense under plan-B

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Granted to Employee	1,887	-
Non-Executive Directors	1,129	-
Total	3,016	-

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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

Fair value of options granted-Plan B

The fair value at the grant date of options granted during the year ended 31 March 2020 was Rs 11.20 per option (31 March 2019: Rs Nil). The fair value at the grant date is determined using the Black Scholes-Merton model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31 March 2020 and 31 March 2019 included:

	For the year ended		For the year ended
	31 March 2020	Grant 2	31 March 2019
	Grant 1 & 1A	Grant 2	
Eligibility details			
Fair value as on grant date	11.2	11.2	Nil
Vesting period	NA	NA	NA
Exercise price	1	1	Nil
Time to Maturity (TTM) (In Years)	2-4	2-4	NA
Grant date	6-Nov-19	28-Jan-20	NA
Exercise Period	5 Years	5 Years	NA
Share price at grant date	12	12	Nil
Expected price volatility of shares	16.63%	15.45%	NA
Expected dividend yield	0%	0%	NA
Risk free interest rate	6.22%	6.36%	NA

Note:

- 1). The Time of Maturity is estimated based on the vesting term and contractual term, as well as expected exercise behaviour of the employee who receives the ESOP.
- 2). Since shares of the Company are not listed on any stock exchange, expected volatility had been derived from historic values of NSE IT Index as on the Grant date.
- 3). Risk free rate is the current yield rates of Government Securities (with similar residual maturity as expected life of stock option) are being considered. This is based on the yield for

36 Corporate social responsibility expenditure

The Company is covered by the provisions of Section 135 of the Companies Act 2013, w.e.f. financial year 2016-17. The Company has constituted Corporate Social Responsibility Committee in pursuance of Corporate Social Responsibility policy. The Company is required to spend an amount of Rs. 1,433 thousands and Nil for the year ended 31 March 2019 and 31 March 2020 respectively.

Amount spent during the year ended 31 March 2020 Rs. 1,400 thousands



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

37 Earnings per share (EPS)

(i) Reconciliation of earnings used in calculating earnings per share:

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit after taxation as per statement of profit and loss - from discontinuing operations	(28,065)	(1,93,790)
Less: Dividends on preference shares and tax thereon	-	-
Net profit for basic and diluted earnings per share	(28,065)	(1,93,790)

(ii) Reconciliation of basic shares used in computing earnings per share –

Particulars	For the year ended	
	31 March 2020	31 March 2019
Number of equity shares at the beginning of the year	3,36,22,728	3,36,22,728
Add: Weighted average number of equity shares issued during the year	-	-
Number of weighted average equity shares considered for calculation of basic earnings per share	3,36,22,728	3,36,22,728

(iii) Reconciliation of diluted shares used in computing earnings per share –

Particulars	For the year ended	
	31 March 2020	31 March 2019
Number of equity shares at the beginning of the year	3,36,22,728	3,36,22,728
Add: Weighted average number of equity shares under employee stock option plan	1,11,507	-
Number of weighted average equity shares considered	3,37,34,235	3,36,22,728

(iv) Earnings per share:

From continuing operations	Amount (in Rs.)	
- Basic	(0.83)	(5.76)
-Diluted	(0.83)	(5.76)

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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

38 Leases

Company as a Lessee

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. Ind AS 116 introduces a single lessee accounting model and requires a company to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The Company's lease asset classes primarily consist of leases for buildings and Plant and Equipments. The Company assesses whether a contract contains a lease, at inception of a contract. Contract 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 group assesses whether (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group 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 asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve 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 assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implication the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the lessee. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition:

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 12%.



Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

Effects on adoption of Ind AS 116:

- a) On transition, the adoption of the new standard resulted in recognition of 'Right of Use asset' of Rs.1,30,236 thousands, and a lease liability of Rs.1,37,375 thousands. The cumulative effect of applying the standard, gross of Rs.8,304 thousands less taxes Rs. 2,310 thousands and net Rs.5,994 thousands was adjusted with opening balance of retained earnings. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cash out flows from financing activities on account of lease payments.
- b) Net carrying value of assets procured under the finance lease as at 01 April, 2019 of Rs. 22,069 thousands (gross carrying and accumulated depreciation value Rs. 75,515 thousands and Rs.53,446 thousands respectively) have been reclassified from Property Plant and Equipment to right- of-use assets
- c) Obligations under Finance leases as at 01 April, 2019 Rs. 26,326 thousands (non-current and current obligation under finance leases Rs. 12,978 thousands and Rs. 13,347 thousands respectively) have been reclassified to lease liabilities.
- d) Opening balance of prepaid rent on Buildings as at 01 April, 2019, which were earlier classified under Other current assets and Other non current assets have been adjusted to right-of-use assets by Rs.1,156 thousands.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Category of ROU			Amount (in Rs. thousands.)
	Building	Plant and Equipment	Total	
Balance as of April 1, 2019	-	-	-	-
Addition on account of adoption of Ind AS 116	1,30,236	-	1,30,236	
Reclassified on account of adoption of Ind AS 116	-	22,069	22,069	
Deletions	-	-	-	
- Lease Termination	1,15,287	-	1,15,287	
- Discarded	-	-	-	
Amortisation	24,047	11,416	35,463	
Balance as of March 31, 2020	(9,098)	10,652	1,554	

The following is the movement in lease liabilities during the year ended 31 March 2020

Particulars	Amount (in Rs. thousands.)
	For the year ended
	31 March 2020
Balance as of April 1, 2019	-
Additions on account of adoption of Ind AS 116	1,37,375
Reclassified on account of adoption of Ind AS 116	26,326
Finance Cost accrued during the period	11,226
Payment of Lease liabilities	43,738
Lease Termination	95,603
Balance as of March 31, 2020	95,586



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

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

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Current Lease Liability	21,302	13,347
Non Current Lease Liability	14,284	12,978
Total	35,586	26,326

The table below provides the details of minimum lease payments and their present values:

Particulars	Amount (in Rs. thousands.)		
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
	Minimum lease payments	Net present value	Net present value
Not later than 1 year	24,132	21,302	18,473
Later than 1 year and not later than 5 years	15,222	14,284	17,387
More than 5 years	-	-	-

Note:

a). Total Lease Liability include Rs. 14,279 thousands and Rs. 26,326 thousands of finance lease obligation to Hewlett Packard Financial Services India Pvt Ltd for the year ended 31 March 2020 and 31 March 2019 respectively

b). Low value leases and short term leases for which Ind As 116 has not applied, Rental expenses is recognised in Profit & Loss account for the year ended 31 March, 2020 Rs.10,613 thousands

Impact of COVID-19

The leases that the Company has entered with lessors are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

39 Trade receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed.

Invoicing in excess of earnings are classified as unearned revenue.

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

During the year ended March 31, 2020, the company has received Rs.4,082 thousands which is recognized as unearned revenue, unearned revenue as of April 1, 2019 is Rs.306 thousands

During the year ended March 31, 2020, unbilled revenue Rs. NIL. Unbilled revenue as of March 31,2019 is NIL.

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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

40 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the company has received intimation from the "Suppliers" regarding the their status under the Act

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
(i). Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)	-	-
-Principal amount due to micro and small enterprise	594	-
-Interest due on above	7	-
(ii). Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii). Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv). The amount of interest accrued and remaining unpaid at the end of each accounting year	7	-
(v). 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 enterprises	-	-

Note:

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.

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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

41 Segment information

The company is engaged in the business of providing Geospatial services and there is only one primary segment. The COO and MD of the company is identified as a chief operating decision maker (CODM) as defined in Ind AS 108 - Operating Segments. The CODM evaluates the Company performance based on an analysis of various performance indicators by geographical segments. Geographical segment is disclosed as secondary segment as follows.

Reportable segments

Geographical information

Segment Revenue:

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from external customers:		
Africa	-	2,336
Americas	81,669	1,77,631
Asia Pacific	49,900	53,403
Europe	3,15,984	2,29,796
Middle East	-	7,756
Oceania	810	5,814
Total segment revenue	4,48,362	4,76,736

One customer accounted for more than 10% of the revenue Rs.1,42,963 thousands (previous year one customer of Rs. 1,04,496 thousands) for the period ended March 31, 2020, however none of other the customers accounted for more than 10% of the receivables for the period ended March 31, 2020.

The assets of the company are used interchangeably between segments, and the management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible.

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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

42 Related party transactions

A. Parent entities:

Ultimate Holding Company

M/s. Coffee Day Enterprises Limited

Holding Company

M/s. Coffee Day Trading Limited.

B. Subsidiaries:

Magnasoft Spatial Services Inc

Magnasoft Europe Limited

BIM Engineering US LLC From 01st April 2018 to 31st August 2018

C. Entities under common control and with whom transactions have taken place:

M/s. Tanglin Developments Limited

M/s. SICAL Logistics Limited

M/s Magnasoft BIM Engineering Pvt. Ltd. From 01st April 2018 to 31st August 2018

D. Key management personnel

Sri Bobbie H Kalra		Director
Sri Kush Siddharth Desai	Upto 28th June 2019	Director
Sri Ganesh V Pai	Upto 28th June 2019	Director
Sri Shankar Venkataraman		Additional Director
Sri Amartya Siddharth		Additional Director

E. Relatives of key management personnel with whom transaction have taken place:

Mrs. Kiran Kalra

F. The following is a summary of related party transactions.

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<u>Sale of Software Services</u>		
Magnasoft Spatial Services	17,507	39,619
<u>Interest on Inter-Company Loans</u>		
Magnasoft Spatial Services	1,049	1,468
<u>Interest on security deposits</u>		
Tanglin Developments Limited	259	241
<u>Rent & Maintenance Paid</u>		
Tanglin Developments Limited	25,988	27,890
Mrs. Kiran Kalra	-	1,200
<u>Electricity Charges</u>		
Tanglin Developments Limited	7,940	5,646
<u>Legal, professional and consultancy charges</u>		
Coffee Day Enterprises Limited	-	9,000
<u>Balances Written Off</u>		
Magnasoft Spatial Services	-	14,500
SICAL Logistics Limited	-	4,361
Coffee Day Enterprises Limited **	34,010	-
Magnasoft Europe Limited	135	-
<u>Advances Provided</u>		
Magnasoft Spatial Services	16,689	27,195
Coffee Day Trading Limited		
<u>Advances Received</u>		
Tanglin Developments Limited	50,000	-
Coffee Day Trading Limited	27,755	27,755
<u>Guarantee cost</u>		
Coffee Day Trading Limited	174	263
<u>Advances Recovered</u>		
Magnasoft Spatial Services	10,480	18,306

** Coffee day Enterprise Limited (CDEL) has charged the management consultancy fee of amounting Rs.36,000 thousands and Rs.9,000 thousands for the year ended 2017-18 and 2018-19 respectively to the company. Out of gross amount, the company has deducted TDS of Rs. 90 thousands and 900 thousands in year 2017-18 and 2018-19 respectively. The same has been credited to the tax department in the respective years.

During the year ended 2019-20, the company considered the current condition of COVID-19 pandemic and requested CDEL to waive off the management consultancy fee charged during 2017-18 and 2018-19. As on 31st March 2020, CDEL has agreed to waive off Rs.34,010 thousands which has been considered and accounted during the year. For balance Rs. 10,090 thousands the discussion is still under progress. The same will be treated accordingly upon final decision.



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

G. The following is a summary of balances receivable from and payable to related parties:

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Trade Receivables		
Magnasoft Spatial Services	10,565	4,952
Magnasoft Europe Limited	-	135
Loans and advances recoverable		
Magnasoft Spatial Services	27,392	30,390
Magnasoft Europe Limited	4,470	4,230
Sri Harmit Kalra	-	809
Coffee Day Trading Limited	27,755	27,755
Rent & Electricity Deposits Paid		
Tanglin Developments Limited	7,873	6,590
Creditors for expenses		
Coffee Day Enterprises Limited	-	34,010
Coffee Day Trading Limited	4,370	4,370
Tanglin Developments Limited	29,838	15,512

H. Compensation of key management personnel of the Company:

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Short-term employee benefits	15,000	8,778
Guarantee given by Bobbie H Kalra	-	2,70,000

Personal Guarantee given by Mr. V.G.Siddhartha and Mr. Bobbie H Kalra, Corporate guarantee by the holding company Coffee Day Trading Limited (formerly known as Global Technology Ventures Limited) for RBL cash credit facility has been discharged during the year ended 31 March, 2020, on full satisfaction of charge.

J. Terms and conditions

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within the credit period allowed as per the policy. None of the balances is secured. No guarantees have been given or received during the year.

43 Gratuity plan

The following table sets out the status of the gratuity plan as required under IND AS 19 'Employee benefits'.

Reconciliation of the projected benefit obligations

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Change in projected benefit obligation:		
Obligations at the beginning of the year	10,796	12,406
Included in profit and loss:		
- Service cost	3,849	2,149
- Interest cost	955	1,492
Included in other comprehensive income:		
- Remeasurement (gains)/ losses in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in demographic assumptions	(4,063)	221
- Actuarial (gains)/ losses arising from changes in financial assumptions	2,022	472
- Actuarial (gains)/ losses arising from experience adjustments	6,254	(801)
Benefits settled	(2,945)	(5,143)
Past service cost	-	-
Obligations at year end	16,868	10,796
Change in plan assets:		
Contributions	2,945	5,143
Benefits settled	(2,945)	(5,143)
Plans assets at year end, at fair value	-	-



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

Liability recognised in the balance sheet
Reconciliation of present value of obligation and fair value of plan assets:

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Fair value of plan assets	-	-
Present value of defined benefit obligation at the end of the year	16,868	10,796
Liability recognised in the balance sheet	16,868	10,796

Particulars	Amount (in Rs. thousands.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Gratuity cost for the year		
Included in profit and loss:		
- Service cost	3,849	2,149
- Interest cost	955	1,492
Included in other comprehensive income:		
- Remeasurement (gains)/ losses in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in demographic assumptions	(4,063)	221
- Actuarial (gains)/ losses arising from changes in financial assumptions	2,022	472
- Actuarial (gains)/ losses arising from experience adjustments	6,254	(801)
Net gratuity cost	9,017	3,533

Assumptions		
Interest rate	6.89%	7.75%
Expected rate of return on plan assets	NA	NA
Salary increase	8.00%	8.00%
Attrition rate	12.00%	12.00%
Mortality table	Indian Assured Lives (2012-2014) Ultimate Mortality Table	

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.

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.

Particulars	Amount (in Rs. thousands.)			
	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount Rate(1% movement)	1,831	2,212	9,662	12,165
Salary growth(1% movement)	1,853	1,582	11,904	9,836
Attrition Rate(1% movement)	350	397	10,722	10,881
Mortality Rate(10% movement)	3	NA	10,798	NA

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

44 Financial instruments – fair value measurement

(a) Accounting classification and fair value

Particulars	Amount (in Rs. thousands.)			
	As at 31 March 2020		As at 31 March 2019	
Financial assets:	Carrying value	Fair value	Carrying value	Fair value
<i>Measured at amortised cost:</i>				
Trade receivables	47,767	*	36,557	*
Cash and cash equivalents	17,537	*	35,943	*
Bank balances other than cash and cash equivalents	51,056	*	2,744	*
Other current financial assets	31,943	*	35,424	*
Other non-current financial assets	9,106	*	9,464	*
Investments	87	*	87	*
Total	1,57,497	-	1,20,220	-
Financial liabilities				
<i>Measured at amortised cost:</i>				
Non current Borrowings (including current maturities)				
- Fixed rate instruments	1,15,968	1,22,762	31,783	33,887
Current Borrowings				
- Variable rate instruments	-	*	69,813	*
Other Current financial Liabilities (excluding current maturities)	60,478	*	79,973	*
Total	1,76,446	1,22,762	1,81,569	33,887

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

(b) Fair value hierarchy

The section explains the judgement 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 accounting standard. An explanation of each level follows underneath the table

Financial assets and liabilities measured at fair value - recurring fair value measurements As at 31 March 2020	Notes	Amount (in Rs. thousands.)		
		Level 1	Level 2	Level 3
Financial Liabilities				
<i>Measured at amortised cost:</i>				
Non current Borrowings	18	-	1,22,762	-
Total Financial Liabilities		-	1,22,762	-
				1,22,762

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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

Financial assets and liabilities measured at fair value - recurring fair value measurements As at 31 March 2019	Notes	Amount (in Rs. thousands.)		
		Level 1	Level 2	Level 3 Total
Financial Liabilities				
<i>Measured at amortised cost:</i>				
Non current Borrowings (including current maturities)	18	-	33,887	33,887
Total Financial Liabilities		-	33,887	33,887

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

(c) **Valuation technique used to determine fair value**

- The fair value of loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is 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 the discount rate, the fair value of the equity 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.

- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments

45 **Financial instruments - risk management**

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(a) **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. Board 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.



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

(b) 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 carrying amount of financial assets represents the maximum credit exposure.

Impairment losses on financial assets recognised in profit or loss were as follows.

	Amount (in Rs. thousands.)	
	For the year ended	For the year ended
	31 March 2020	31 March 2019
Impairment loss/(gain) on trade and other receivables	(63,108)	87,739
Total	(63,108)	87,739

i) Trade and other receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

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. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- Internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Company and changes in the operating results of the borrower

Expected credit loss for trade receivables under simplified approach:

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
	Carrying amount	Provision amount
0-120 days past due	47,767	NA
120-180 days past due	207	38,669
180-730 days past due	9,783	91,024
More than 730 days past due	90,039	70,002
	1,47,797	1,99,694
		1,63,142

Note- Expected loss rate

As per Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available internal and external credit risk such as the Company's historical experience for customers. Due to COVID - 19 pandemic situations, The policy of recognizing of Allowance for expected credit loss has been broadened from 180 days to 120 days.

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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Loss allowance at the beginning of the year	1,63,137	75,398
Provision for doubtful debts	8,019	1,72,306
Excess provision written back	71,127	84,567
Loss allowance at the end of the year	1,00,029	1,63,137

(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 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 forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

i) **Financing arrangement**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Floating rate:		
- Expiring within one year (bank overdraft and other facilities)	-	1,30,187
		1,30,187

ii) **Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments and exclude the impact of netting agreements.

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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

	Amount (in Rs. thousands.)					
	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
As at 31 March 2020						
Non-derivative financial liabilities						
Bank overdrafts	-	-	-	-	-	-
Secured bank loans	2,825	479	1,904	442	(0)	-
Long term borrowings	77,755	-	-	-	-	77,755
Lease Liabilities	39,353	5,116	19,015	13,436	1,786	-
Creditors for expenses and creditors for capital goods	49,233	49,233	-	-	-	-
	1,69,166	54,828	20,919	13,878	1,786	77,755
As at 31 March 2019						
Non-derivative financial liabilities						
Bank overdrafts	69,813	69,813	-	-	-	-
Secured bank loans	5,457	214	2,021	2,477	745	-
Long term borrowings	27,755	-	-	-	-	27,755
Lease Liabilities	26,326	2,129	7,293	7,478	9,426	-
Creditors for expenses and creditors for capital goods	69,887	69,887	-	-	-	-
	1,99,239	1,42,044	9,314	9,955	10,171	27,755

(d) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. 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 Company companies. The functional currencies of Company companies are primarily INR. The currencies in which these transactions are primarily denominated are euro, US dollars, Euro etc.

Exposure to currency risk

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Foreign Currency Amount	Amount in thousands (Rs.)	Foreign Currency Amount	Amount in thousands (Rs.)
Trade Receivable				
AED	-	-	7	132
AUD	89	4,091	120	5,876
BRL	-	-	41	720
CAD	59	3,158	113	5,836
CHF	2	172	2	153
EURO	350	28,847	383	29,778
GBP	453	41,981	322	29,177
USD	629	47,605	1,131	78,243
NZD	0	18	0	19
Advances Receivable				
USD	363	27,392	418	30,390
GBP	48	4,470	53	4,230



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

The following significant exchange rates have been applied

	Average rate			Year-end spot rate	
	31 March 2020	31 March 2019	31 March 2020	31 March 2020	31 March 2019
INR	48.34	50.97	46.08	49.02	
AUD	17.29	18.52	14.46	17.66	
BRL	53.30	53.27	53.08	51.54	
CAD	71.87	70.59	78.29	69.43	
CHF	78.78	80.93	82.77	77.67	
EUR	90.15	91.15	93.50	90.53	
GBP	51.69	50.24	53.03	51.04	
SGD	70.87	69.92	75.67	69.16	
USD	45.92	47.41	44.89	46.96	
NZD					

Sensitivity analysis

A reasonably possible strengthening (weakening) of the euro, US dollar, sterling or Swiss franc against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31 March 2020		31 March 2019	
	Percentage Movement	Increase / Decrease	Percentage Movement	Increase / Decrease
USD sensitivity	9.41%	7,054	6.53%	7,095
CHF sensitivity	12.76%	22	2.06%	3
AUD sensitivity	-6.01%	(246)	-1.76%	(104)
BRL sensitivity	-18.11%	-	-10.08%	(73)
CAD sensitivity	2.99%	95	2.34%	137
GBP sensitivity	3.28%	1,525	-0.61%	(179)
NZD sensitivity	-4.41%	(1)	0.00%	-
EUR sensitivity	6.57%	1,894	-2.89%	(860)

There is no impact on other components of equity

ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company adopts a policy of ensuring that between 80 and 90% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.



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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows :-

	Amount (in Rs. thousands.)	
	31-Mar-20	31-Mar-19
Variable rate borrowings	-	69,813
Fixed rate borrowings	1,15,968	59,538
Total Borrowings^a	1,15,968	1,29,351

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Particulars	Amount (in Rs. thousands.)		
	As at 31 March 2020		As at 31 March 2019
	Weighted average interest rate	Balance	Weighted average interest rate
Borrowings	2.15%	1,15,968	12.14%
			1,29,351

Sensitivity analysis

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash Flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Amount (in Rs. thousands.)		
	Interest rates - increases by 50 bps		Interest rates - decreases by 50 bps
	31 March 2020	31 March 2019	31 March 2020
Impact on statement of profit and loss	-	(349)	-
There is no impact on other components of equity			349

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Magnasoft Consulting India Private Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2020

46 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

Particulars	Amount (in Rs. thousands.)	
	As at 31 March 2020	As at 31 March 2019
Borrowings	1,15,968	1,01,596
Other payables	60,478	79,973
Net debt	1,76,446	1,81,569
As percentage of total capital	53%	50%
Equity	1,53,683	1,84,859
As percentage of total capital	47%	50%
Total capital (debt and equity)	3,30,130	3,66,428

As per our report of even date attached

for **Sundaresha & Associates**
 Chartered Accountants
 Firm registration number : 008012S

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Chaitanya G Deshpande
 Partner
 Membership No. 230802

Place: Bangalore
 Date: 22 May 2020

for and on behalf of the Board of Directors of
Magnasoft Consulting India Private Limited

Bobby H Kalra

Bobbie H Kalra
 Director
 DIN: 00324575

Bangalore
 Date: 22 May 2020

Abraham Mathews

Abraham Mathews
 Director
 DIN: 01814618

Bangalore
 Date: 22 May 2020