

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF CASSIUS TECHNOLOGIES PRIVATE LIMITED****Report on the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of **CASSIUS TECHNOLOGIES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "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 India Accounting Standards as 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 31<sup>st</sup> March, 2019, and the profits, and total comprehensive Income, changes in equity and its cash flows for the year ended on that date.

**Basis of our 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.



### **Information other than 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 of the Director's Report (but does not include the standalone financial statements and our auditor's report thereon). The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

### **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 including total comprehensive income, cash flows and changes in equity of the Company in accordance with 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for Audit of 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 financial statements.

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

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

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

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



## Report on Other Legal and Regulatory Requirements

- I. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197 (16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its financial position.



- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Manian & Rao,  
Chartered Accountants  
FRN: 001983S



Paresh Daga  
Partner  
M.No. 211468



Place: Bangalore

Date: 22/05/2019

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of CASSIUS TECHNOLOGIES PRIVATE LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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



### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

For Manian & Rao,  
Chartered Accountants  
FRN: 001983S

  
Paresh Daga

Partner  
M.No. 211468  
Place: Bangalore

Date: 22/05/2019



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

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

- (i)
- (a) The Company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed assets once in every 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the Management during the previous year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under paragraph 3 (i) (c) of the Order is not applicable.
- (ii) The Company is a Service Company, primarily rendering Online Advertisements, Candidate Services, Recruitment Services. Accordingly it does not hold any physical inventories. Thus paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any Loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in Register maintained U/s 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) The Company has not given any loans, guarantees and securities and has not made any investment during the year. Hence the provisions of section 185 and section 186 are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly paragraph 3(v) of the order is not applicable.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the Services rendered by the Company and therefore provision of section 3(v) of the order is not applicable to the company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues (other than as detailed below), including Provident Fund, Income-tax, Labour Welfare Fund, Professional Tax, Employee's State Insurance, Service Tax, cess, Goods and Services Tax and other material statutory dues applicable to it with the appropriate authorities.  
As on March 31, 2019 the Company had undisputed statutory dues outstanding for a period of more than six months from the date they became payable. Details of the same is as under:





<b>Nature of Dues</b>	<b>Amount Involved (INR in lakhs)</b>
Tax Deduction at source	1.29
Professional Tax	0.48

- (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, Goods and Services tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions or banks and Government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors



or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For Manian & Rao,  
Chartered Accountants  
FRN: 001983S



Paresh Daga  
Partner  
M. No. 211468



Place: Bangalore  
Date: 22/05/2019

**Cassius Technologies Private Limited**  
 #437, 3rd Floor, 12th Cross 27th Main, Sector 1, HSR Layout Bangalore 560102  
 CIN : U72200KA2005PTC113117  
 Standalone Balance Sheet as at 31 March 2019

(All amounts in Rs. In Lakhs, unless otherwise stated)

	Notes	As at	As at
		31 March 2019	31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	41.36	47.02
Intangible assets	5	34.50	0.70
Intangible assets under development	5	296.55	118.70
<b>Financial assets</b>			
(i) Loans	6	-	-
(ii) Other Financials Assets	7	-	13.10
Deferred tax assets (net)	8	25.28	14.30
Non-current tax asset	9	26.06	46.16
<b>Total non-current assets</b>		<b>423.75</b>	<b>239.98</b>
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Trade receivables	10	119.39	56.08
(ii) Cash and cash equivalents	11	27.64	138.65
(iii) Bank balances other than cash and cash equivalents	12	-	30.83
(iv) Loans	6	14.50	14.50
(v) Other financial assets	7	-	7.33
Other current assets	13	3.16	0.91
<b>Total current assets</b>		<b>164.69</b>	<b>248.30</b>
<b>Total assets</b>		<b>588.44</b>	<b>488.28</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	14	1.11	1.11
Other equity	15	456.70	319.85
<b>Total equity</b>		<b>457.81</b>	<b>320.96</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities:</b>			
Provisions	16	40.76	26.17
<b>Total non-current liabilities</b>		<b>40.76</b>	<b>26.17</b>
<b>Current liabilities:</b>			
<b>Financial liabilities</b>			
(i) Borrowings	17	10.00	28.69
(ii) Trade payables	18	-	-
a. total outstanding dues of micro and small enterprises		-	-
b. total outstanding dues other than (ii) (a) above		22.12	45.17
(iii) Other financial liabilities	19	2.05	0.58
Contract liabilities	20	29.55	-
Provisions	16	3.73	2.83
Other current liabilities	21	22.42	63.88
<b>Total current liabilities</b>		<b>89.87</b>	<b>141.15</b>
<b>Total equity and liabilities</b>		<b>588.44</b>	<b>488.28</b>

Summary of significant accounting policies 3

The accompanying notes are an integral part of the standalone financial statements.

This is the balance sheet referred to in our report of even date.

For Manian & Rao  
 ICAI Firm Registration Number: 001983S  
 Chartered Accountants

Paresh Daga  
 Partner  
 Membership Number: 211468

Place: Bangalore  
 Date: 22-05-2019

For and on behalf of the Board of Directors

Ravi Vishwanath N  
 Director  
 DIN: 07332234

Ramani Dathi  
 Director  
 DIN: 08296675

Place: Bangalore  
 Date: 22-05-2019



**Cassius Technologies Private Limited**  
#437, 3rd Floor, 12th Cross 27th Main, Sector 1, HSR Layout Bangalore 560102  
CIN : U72200KA2005PTC113117

**Standalone Statement of Profit and Loss for the year ended 31 March 2019**

(All amounts in Rs. In Lakhs, unless otherwise stated)

Particulars		For the year ended	For the year
		March 2019	ended March 2018
		Audited	Audited
<b>Income</b>			
Revenue from operations	22	836.80	583.08
Other income	23	5.64	10.54
<b>Total income</b>		<b>842.44</b>	<b>593.61</b>
<b>Expenses</b>			
Employee benefits expense	24	421.82	339.90
Finance Costs	25	0.57	0.94
Depreciation and amortization expense	26	41.64	24.45
Other expenses	27	203.54	268.06
<b>Total expenses</b>		<b>667.57</b>	<b>633.36</b>
<b>Profit/(Loss) before tax</b>		<b>174.86</b>	<b>(39.74)</b>
<b>Tax expense:</b>			
- Current tax (Including MAT)		41.45	-
- Deferred tax	8	(8.88)	(0.17)
Deferred tax charge/ (credit)			
<b>Total tax expense</b>		<b>32.57</b>	<b>(0.17)</b>
<b>Profit/(Loss) for the period / year</b>		<b>142.29</b>	<b>(39.57)</b>
<b>Other comprehensive income/(loss) (OCI)</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurement gains/(losses) of defined benefits obligation	29	(7.55)	(5.21)
Income tax relating to items that will not be reclassified to profit or loss		2.10	1.35
<b>Other comprehensive income/(loss) for the period / year, net of tax</b>		<b>(5.45)</b>	<b>(3.85)</b>
<b>Total comprehensive income/(loss) for the period / year, net of tax</b>		<b>136.85</b>	<b>(43.42)</b>
<b>Earnings per equity share (face value Rs 10/- each fully paid)</b>			
(a) Basic EPS (Rs.) (not annualised)		1,280.66	(362.17)
(b) Diluted EPS (Rs.) (not annualised)	28	1,280.66	(362.17)

This is the financial results referred to in our review report.

For Manian & Rao

ICAI Firm Registration Number: 001983S

Chartered Accountants

  
Paresh Daga  
Partner

Membership Number: 211468

Place: Bangalore  
Date: 22-05-2019



For and on behalf of the Board of Directors



Ravi Vishwanath N  
Director  
DIN: 07332234

Place: Bangalore  
Date: 22-05-2019



Ramani Dathi  
Director  
DIN: 08296675



**Cassius Technologies Private Limited**  
 Standalone Statement of Changes in Equity for the year ended 31 March 2019  
 (All amounts in Rs. In Lakhs, unless otherwise stated)

**a. Equity share capital:**  
 Issued, subscribed and fully paid share capital

	Amount	
	Numbers	(Rs. In Lakhs)
<b>Equity shares of Rs. 10 each:</b>		
At 1 April 2017	10,000	1.00
Additions during the year	1,111	0.11
At 31 March 2018	11,111	1.11
Additions during the year	-	-
At 31 March 2019	11,111	1.11

\* Also refer note 14

**b. Other equity**

Particulars	Attributable to equity holders of the Company Reserves and surplus		Total other equity
	Securities premium	Retained earnings	Total
<b>For the year ended 31 March 2018</b>			
Balance as at 1 April 2017	-	163.39	163.39
Other adjustments to the opening reserves (Gratuity)	-	-	-
Balance as at 1 April 2017	-	163.39	163.39
Amount received on issue of shares	199.89	-	-
Profit/(loss) for the year	-	(39.57)	(39.57)
Other comprehensive income for the year	-	(3.85)	(3.85)
<b>Total comprehensive income for the year</b>	<b>199.89</b>	<b>119.96</b>	<b>319.85</b>
Amount utilized for share issue expenses	-	-	-
Share based payment expense	-	-	-
<b>Balance as at 31 March 2018</b>	<b>199.89</b>	<b>119.96</b>	<b>319.85</b>
<b>For the year ended 31 March 2019</b>			
Balance as at 1 April 2018	199.89	119.96	319.85
Amount received on issue of shares	-	-	-
Profit/(loss) for the year	-	142.29	142.29
Other comprehensive income/(loss) for the year	-	(5.45)	(5.45)
<b>Total comprehensive income for the year</b>	<b>199.89</b>	<b>256.81</b>	<b>456.70</b>
less : Distribution	-	-	-
<b>Balance as at 31 March 2019</b>	<b>199.89</b>	<b>256.81</b>	<b>456.70</b>

Summary of significant accounting policies 3

The accompanying notes are an integral part of the standalone financial statements.

This is the statement of changes in equity referred to in our report of even date.

For Manian & Rao  
 ICAI Firm Registration Number: 0019835  
 Chartered Accountants

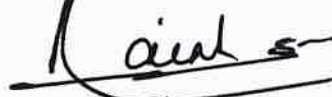
  
 Paresch Daga  
 Partner

Membership Number: 211468

Place: Bangalore  
 Date: 22-05-2019



For and on behalf of the Board of Directors



Ravi Vishwanath N  
 Director  
 DIN: 07332234

Place: Bangalore  
 Date: 22-05-2019



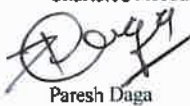
Ramani Dathi  
 Director  
 DIN: 08296675



**Cassius Technologies Private Limited**  
**Statement of Cash Flows for the year ended 31 March 2019**  
**(All amounts in Rs. In Lakhs, unless otherwise stated)**

	As at 31 March 2019	As at 31 March 2018
<b>Operating activities</b>		
Profit/(Loss) before tax	174.86	(39.74)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	25.64	23.96
Amortisation of intangible assets	16.00	0.50
Net foreign exchange differences	-	-
(Gain)/loss on disposal of property, plant and equipment	-	-
Finance income (including fair value change in financial instruments)	(3.81)	(10.31)
Bad debts / advances written off and provided for	5.78	11.67
<b>Working capital adjustments</b>		
Increase in trade receivables	(69.09)	(6.36)
Increase in loans	-	(4.04)
(Increase)/decrease in other financial assets	7.33	(7.33)
Decrease in other current assets	(2.25)	12.19
Decrease in trade payables	(23.05)	17.43
Increase/(decrease) in other financial liabilities	1.47	(44.96)
Increase in Contract Liabilities	29.55	-
Decrease in other current liabilities	(41.46)	49.47
Decrease in provisions	7.94	6.59
	<b>128.93</b>	<b>9.06</b>
Income tax paid (including TDS) (net)	(21.35)	(24.76)
<b>Net cash flows from operating activities</b>	<b>107.58</b>	<b>(15.70)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(19.98)	(25.85)
Purchase of intangible assets (including CWIP)	(227.65)	(119.02)
Proceeds from sale of property, plant and equipment	-	-
Investment in Fixed Deposit	43.93	(43.93)
Interest received	3.81	10.31
<b>Net cash flows from / (used in) investing activities</b>	<b>(199.89)</b>	<b>(178.48)</b>
<b>Financing activities</b>		
Proceeds from issue of equity share capital / exercise of share options	-	200.00
Loan from Banks & Financial Institutions	(18.69)	27.05
<b>Net cash flows from / (used in) financing activities</b>	<b>(18.69)</b>	<b>227.05</b>
<b>Net increase in cash and cash equivalents</b>	<b>(111.01)</b>	<b>32.86</b>
Cash and cash equivalents at the beginning of the year (refer note 12)	138.65	105.79
<b>Cash and cash equivalents at the end of the year</b>	<b>27.64</b>	<b>138.65</b>

For Manian & Rao  
ICAI Firm Registration Number: 001983S  
Chartered Accountants

  
Paresh Daga  
Partner

Membership Number: 211468

Place: Bangalore  
Date: 22-05-2019



For and on behalf of the Board of Directors



Ravi Vishwanath N  
Director  
DIN: 07332234



Ramani Dathi  
Director  
DIN: 08296675

Place: Bangalore  
Date: 22-05-2019



## Cassius Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

### 1 Corporate information

Cassius Technologies Private Limited (the "Company") is an Online Career Development Company incorporated on December 21, 2005. The Company currently provides Software Development, web technologies & other online career related services.

During the year, 21% shares of the Company were acquired by Teamlease Services Limited in addition to the 30% of shares of Company acquired during the previous financial year. W.e.f. July 31, 2018, Consequent to such acquisition, the Company became an subsidiary of TeamLease Services Limited, a NSE and BSE listed entity.

The standalone financial statements are approved by the board of directors and authorized for issue in accordance with a resolution of the directors on May 22, 2019.

This note provides a list of the significant accounting policies adopted in the preparation of these standalone Ind AS financial statements.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

### 2 Basis of preparation

#### (i) Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ("the Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The standalone Ind AS financial statements are presented in Indian Rupees which is also the Company's functional currency and all amounts have been rounded off to the nearest lakhs, unless otherwise stated.

#### (ii) Historical cost convention

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

- Certain financial assets and liabilities measured at fair value as explained in the accounting policies below ; and
- Defined benefit plans plan assets measured at fair value,

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions.

#### (iii) New and amended standards adopted by the Company

The Company has applied the following Standards and Amendments for the first time for their annual reporting period commencing from April 01, 2018:

- Ind AS 115: Revenue from Contracts with Customers.
- Amendment to Ind AS 12 Income taxes
- Appendix B, Foreign Currency Transactions and Advance Consideration to IND AS 21, The Effects of Changes in Foreign Exchange Rates.

All amounts disclosed in the Standalone Financial Statements and Notes have been rounded off to the nearest lakhs as per the requirement of the Schedule III, unless otherwise stated.

### 3 Summary of significant accounting policies

#### 3.1 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 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.

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.

Advance tax paid is classified as non-current assets.

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



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### 3.2 Foreign currency translation

#### (i) Functional and presentation currency

Items included in the standalone financial statements of the company are measured using the currency of the primary economic environment in which the entity operates, ie, the "functional currency". The standalone financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Company.

#### (ii) Transactions and balances

Foreign currency transactions are initially recorded by the company at their respective functional currency spot rate at the date the transaction first qualifies for recognition.

- 1) Monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated at the functional currency spot rates of exchange at the reporting date.
- 2) Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are translated using the exchange rates at the date of the initial transactions. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when fair value was determined.
- 3) Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the period in which they arise.

### 3.3 Revenue Recognition

The Company earns its revenues primarily from Online Advertisement Services, Recruitment Services and Candidate Services. Effective 1st April, 2018, the company adopted INDAS 115 (Revenue from Contracts with customers) using Modified Retrospective approach. In accordance with the modified retrospective approach, the comparatives have not been retrospectively adjusted. Following is the summary of the new and/or revised significant accounting policy relating to revenue recognition. The effect of adoption of INDAS 115 is presented in Note 37

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration which the company expects to receive in exchange of those services.

Revenue in excess of invoicing are classified as Contract Assets while invoicing in excess of revenue are classified as Contract liability.

Use of Significant judgements in revenue recognition:

- 1) The company's contracts with customers could include promises to transfer multiple services to a customer. The company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- 2) Judgement is also required to determine the transaction price for the contracts. The company uses judgement to allocate the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.
- 3) The company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The company considers indicators such as how customers consumes benefits as services are rendered or who controls the asset as it is being created or existence of the enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customers etc.

#### Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit or loss.

### 3.4 Taxes

#### Income Tax

Income tax expense comprises current tax expense and deferred tax asset or liability during the year. 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 not routed through the statement of profit and loss is recognised in other comprehensive income. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below:

- ▶ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ▶ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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.





## Cassius Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

### 3.5 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2016, the company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

#### As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

(a) Another systematic basis is more representative of the time pattern in which user's benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or

(b) The payment to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

### 3.6 Property, plant and equipment

Capital work in progress and plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

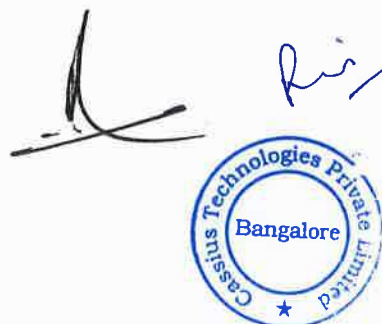
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### Depreciation methods, estimated useful lives

Depreciation is calculated using the written down value method over their estimated useful lives of the property, plant & equipment as prescribed under Part C of Sch II of the act as follows:

Asset	Life in Years
Computers	3
Furniture and fixtures	10
Office equipment - Air Condition, Projector	15
Office equipment - Others	5
Vehicles - Cars	8
Vehicles - Motor Bikes	10



**3.7 Intangible assets**

**Transition to Ind AS**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Internally generated intangibles and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred except for software development cost eligible for capitalisation. The expenditure incurred on software eligible to be capitalized includes cost of employee benefits, hosting charges and other cost directly incurred or attributable towards such software.

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

A summary of the policies applied to the Company's intangible assets is, as follows:

Asset	Life in Years
Computer software	3 years
Software - Internally generated	3 years

The management of the Company is of the view that the Internally generated softwares will be used systematically over its useful life, hence the management has adopted straight line method of amortization for Internally Generated Softwares and written down value method of amortization for other intangible assets.

**3.8 Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that any property, plant & equipment and intangible assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**3.9 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss. In case of interest free or concession loans / debentures / preference shares given to subsidiaries and associates, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries and associates are measured at cost less impairment. Investment in preference shares/ debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.



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**Cassius Technologies Private Limited**

Notes to the standalone financial statements for the year ended 31 March 2019

**(i) Financial assets**

**Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through profit and loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in statement of profit and loss.

**Impairment of financial assets**

The company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets mentioned below:

- Financial assets that are debt instrument and are measured at amortised cost
- Financial assets that are debt instruments and are measured as at FVOCI
- Trade receivables under Ind AS 18

The impairment methodology applied depends on whether there has been a significant increase in credit risk. Details how the company determines whether there has been a significant increase in credit risk is explained in the respective notes.

For impairment of trade receivables, the company chooses to apply practical expedient of providing expected credit loss based on provision matrix and does not require the Company to track changes in credit risk. Percentage of ECL under provision matrix is determined based on historical data as well as futuristic information.

**Equity instruments**

The company subsequently measures all equity investments at fair value. Where the Company 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.

**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.

**(ii) Financial Liabilities**

**Financial liabilities at amortised cost**

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short term maturity of these instruments.



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**Cassius Technologies Private Limited**

Notes to the standalone financial statements for the year ended 31 March 2019

**Financial liabilities at FVTPL**

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 and loss.

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

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

**Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**(iii) Offsetting of financial instruments**

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

**(iv) Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

**Fair value hierarchy:**

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**3.10 Cash and cash equivalents**

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, short-term deposits 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.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**3.11 Employee benefits**

**Post-employment obligations**

The company operates the following post-employment schemes:

- (a) defined benefit plans - gratuity, and
- (b) defined contribution plans such as provident fund.

**Defined benefit plan**

**Gratuity obligations**

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in other comprehensive income and is transferred to retained earnings in the statement of changes in equity in the balance sheet. Such accumulated re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

In addition to the above, the Company recognises its liability in respect of gratuity for associate employees and its right of reimbursement as an asset in accordance with Ind AS 19.



## Cassius Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the standalone statement of profit and loss:

- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ▶ Net interest expense or income

### Defined contribution plan

#### Contribution to Government Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per applicable 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.

### Compensated absences

The employees of the Company are entitled to be compensated for unavailed leave as per the policy of the Company, the liability in respect of which is provided, based on an actuarial valuation (using the projected unit credit method) at the end of each year. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits and those expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using Projected Unit Credit Method) at the end of each year. Actuarial gains/ losses are recognised in the Statement of Profit and Loss in the year in which they arise.

### 3.12 Provisions and contingent liability

#### Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Contingent liability

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

### 3.13 Cash dividend distribution to equity holders

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### 3.14 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit/loss for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders of the parent (after adjusting for convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

### 3.15 Significant accounting judgments, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount which is higher of fair value less costs of disposal and the value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model and the cash flows are derived from the budget for the next five years. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.



**Cassius Technologies Private Limited**

Notes to the standalone financial statements for the year ended 31 March 2019

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future, these include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rate of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligations are given in Note No. 29.

**Useful life of assets considered for depreciation of Property, Plant and Equipment and amortisation of Intangible assets**

The charge in respect of periodic depreciation/amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at each financial year end. The lives are based on technical advice, prior asset usage experience and the risk of technological obsolescence.

**Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note no. 30 for further disclosures.

**Other estimates:**

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

**3.16 Operating segment**

The Board of Directors have been identified as the Chief Operating Decision Maker (CODM) as defined by IND-AS 108, Operating Segment. CODM evaluates the performance of Company and allocated resources based on the analysis of various performance indicators of the Company.

**3.17 Recent Accounting Pronouncements**

- (i) **Ind AS 116 Leases** : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Under modified retrospective approach, the lessee 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.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.



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### Cassius Technologies Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

- (ii) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies 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 standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

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

- (iii) Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

- (iv) The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise 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.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

### 3.18 Subsequent Events

There were no significant events that occurred after the Balance Sheet date



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**Cassius Technologies Private Limited**

Notes to the standalone financial statements for the year ended 31 March 2019  
(All amounts in Rs. In Lakhs, unless otherwise stated)

**Note 4: Property, plant and equipment**

	Office equipment	Computers	Furniture & fixtures	Vehicles	Total
<b>Gross carrying cost as at 01 April 2017</b>	9.71	15.70	9.68	25.34	60.43
Additions	1.60	22.02	2.23	-	25.85
Disposals	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>11.31</b>	<b>37.72</b>	<b>11.91</b>	<b>25.34</b>	<b>86.28</b>
Additions	0.68	19.30	-	-	19.98
Disposals	-	-	-	-	-
<b>As at March 2019</b>	<b>11.99</b>	<b>57.02</b>	<b>11.91</b>	<b>25.34</b>	<b>106.26</b>
<b>Accumulated depreciation</b>					
<b>As at 01 April 2017</b>	1.62	6.01	2.58	5.09	15.31
Charge during the period	3.61	11.17	2.69	6.48	23.96
Disposals	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>5.23</b>	<b>17.18</b>	<b>5.28</b>	<b>11.57</b>	<b>39.26</b>
Charge during the period	2.02	17.65	1.70	4.27	25.64
Disposals	-	-	-	-	-
<b>As at March 2019</b>	<b>7.25</b>	<b>34.83</b>	<b>6.97</b>	<b>15.84</b>	<b>64.90</b>
<b>Net Block</b>					
<b>As at 31 March 2018</b>	6.08	20.54	6.64	13.77	47.02
<b>As at March 2019</b>	4.75	22.18	4.94	9.50	41.36

**Note:**

1. There has been no impairment losses recognised during the year or previous year.

**Note 5: Intangible assets and Intangible assets under development**

	Computer - Software	Internally Generated Software	Intangible asset under development	Total
<b>Gross carrying cost as at 01 April 2017</b>	1.79	-	-	1.79
Additions	0.32	-	118.70	119.02
Disposals	-	-	-	-
<b>As at 31 March 2018</b>	<b>2.11</b>	<b>-</b>	<b>118.70</b>	<b>120.81</b>
Additions *	-	49.80	227.65	277.45
Disposals / Capitalised	-	-	49.80	49.80
<b>As at March 2019</b>	<b>2.11</b>	<b>49.80</b>	<b>296.55</b>	<b>348.46</b>
<b>As at 01 April 2017</b>	0.91	-	-	0.91
Charge during the year	0.50	-	-	0.50
Disposals	-	-	-	-
<b>As at 31 March 2018</b>	<b>1.40</b>	<b>-</b>	<b>-</b>	<b>1.40</b>
Charge during the period	0.23	15.77	-	16.00
Disposals	-	-	-	-
<b>As at March 2019</b>	<b>1.64</b>	<b>15.77</b>	<b>-</b>	<b>17.41</b>
<b>Net Block</b>				
<b>As at 31 March 2018</b>	0.70	-	118.70	119.40
<b>As at March 2019</b>	0.47	34.03	296.55	331.05

\* The Company has capitalised the Product developed and put to use w.e.f April 01, 2018.

**Note:**

1. There has been no impairment losses recognised during the year or previous year.





**Cassius Technologies Private Limited**

Notes to the standalone financial statements for the year ended 31 March 2019  
(All amounts in Rs. In Lakhs, unless otherwise stated)

**Note 6: Loans**

**Non-current**

(Unsecured, considered good)

Security deposit

	31 March 2019	31 March 2018
	-	-
<b>Current</b>		
Security deposit	14.50	14.50
	<b>14.50</b>	<b>14.50</b>

**Note 7: Other Financials Assets**

**Non Current**

Fixed Deposits with banks (Maturity of more than 12 months)

	31 March 2019	31 March 2018
	-	13.10
	-	<b>13.10</b>

**Current**

Interest accrued on deposits with bank

	31 March 2019	31 March 2018
	-	7.33
	-	<b>7.33</b>

**Note 8: Deferred tax assets/(liabilities)**

Deferred tax assets/(liabilities)

	31 March 2019	31 March 2018
	25.28	14.30
	<b>25.28</b>	<b>14.30</b>

As at	Provision for bad and doubtful debts	Provision on advance to employees	Depreciation on fixed assets	Provision for leave encashment and gratuity	Total
1 April 2017	1.00	-	6.81	4.97	12.78
<b>Charge/(Credit):</b>					
Profit and loss	1.21	-	(2.26)	1.22	0.17
Other comprehensive income	-	-	-	1.35	1.35
<b>31 March 2018</b>	<b>2.21</b>	<b>-</b>	<b>4.55</b>	<b>7.54</b>	<b>14.30</b>
<b>Charge/(Credit):</b>					
Profit and loss April to March	(0.22)	0.76	5.61	2.74	8.88
Other comprehensive income	-	-	-	2.10	2.10
<b>31 March 2019</b>	<b>1.99</b>	<b>0.76</b>	<b>10.16</b>	<b>12.38</b>	<b>25.28</b>

**Reconciliation of deferred tax (net)**

Opening balance  
Tax credit/ (expense) during the year recognized in statement of profit and loss  
Tax credit/ (expense) during the year recognised in OCI  
Closing balance

	31 March 2019	31 March 2018
	14.30	12.78
	8.88	0.17
	2.10	1.35
	<b>25.28</b>	<b>14.30</b>

As at the reporting date, the management of the Company is reasonably certain that sufficient future taxable income will be available against which the deferred tax asset, to the extent recognised, will be realised.

**Note 9: Non-current tax asset**

Advance Income Tax (net of provision for taxation)

	31 March 2019	31 March 2018
	26.06	46.16
	<b>26.06</b>	<b>46.16</b>

**Income tax expense in the statement of profit and loss consists of:**

	31 March 2019	31 March 2018
Current income tax charge	41.45	-
Tax credit for earlier years	-	-
Mat Credit Entitlement	-	-
Deferred tax credit(net)	(8.88)	(0.17)
<b>Income tax reported in the statement of profit or loss</b>	<b>32.57</b>	<b>(0.17)</b>

**Income tax recognised in other comprehensive income**

Deferred tax arising on expense/(income) recognised in other comprehensive income  
Net loss/(gain) on remeasurements of defined benefit plans  
Income tax expense charged to OCI

	31 March 2019	31 March 2018
	2.10	1.35
	<b>2.10</b>	<b>1.35</b>



**Cassius Technologies Private Limited**

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in Rs. In Lakhs, unless otherwise stated)

**The reconciliation between the amount computed by applying the statutory income tax rate to the (loss) before**

	31 March 2019	31 March 2018
Profit before tax	174.86	(39.74)
Tax using the Company's domestic tax rate	48.65	(10.33)
<b>Tax effect of:</b>		
Expenses not allowed	-	0.10
Others including for changes in tax rates	(5.07)	2.10
DTA not recognised on losses	(11.01)	7.96
<b>Income tax expense/(income)</b>	<b>32.57</b>	<b>(0.17)</b>

**Note 10: Trade receivables**

(Unsecured considered good unless other wise stated)

	31 March 2019	31 March 2018
Trade receivables	126.32	64.60
Receivables from related parties (refer note 33)	0.21	-
Less: provision for expected credit loss	(7.15)	(8.51)
	<b>119.39</b>	<b>56.08</b>

**Break-up of security details**

	31 March 2019	31 March 2018
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	119.39	56.08
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	7.15	8.51
<b>Total</b>	<b>126.54</b>	<b>64.59</b>
Loss allowance	(7.15)	(8.51)
<b>Total trade receivables</b>	<b>119.39</b>	<b>56.08</b>

a) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

b) Trade receivables are non-interest bearing.

**Note 11: Cash and cash equivalents**

	31 March 2019	31 March 2018
Cash on hand *	0.00	-
Balances with banks		
- In current accounts**	27.64	12.25
- In deposit accounts (with maturity of less than 3 months)**	-	126.41
	<b>27.64</b>	<b>138.65</b>

\* Amount less than one thousand

**Note 12: Bank balances other than cash and cash equivalents**

Deposits with remaining maturity of less than 12 months (other than above)	-	30.83
Deposits with remaining maturity of more than 12 months	-	13.10
	-	<b>43.93</b>

Less : Amounts disclosed under other financial assets (Refer note 7)	-	(13.10)
	-	<b>30.83</b>
	<b>27.64</b>	<b>169.48</b>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	31 March 2019	31 March 2018
Balances with banks		
- Cash on hand*	0.00	-
- In current accounts	27.64	12.25
- In deposit accounts (with maturity of less than 3 months)	-	126.41
	<b>27.64</b>	<b>138.65</b>
Less: Bank overdraft	-	-
	<b>27.64</b>	<b>138.65</b>

\* Amount less than one thousand.

\*\*There are no repatriation restrictions with regard to cash and cash equivalents at the end of the reporting period and prior periods.

**Note 13: Other current assets**

(Unsecured considered good unless other wise stated)

	31 March 2019	31 March 2018
Prepaid expenses	2.47	0.88
Advances to suppliers	0.44	-
Advances to employees	2.75	0.02
Less: Provision for doubtful loans and advances	(2.72)	-
Advances recoverable in cash or in kind	0.22	-
	<b>3.16</b>	<b>0.91</b>





**Cassius Technologies Private Limited**

Notes to the standalone financial statements for the year ended 31 March 2019  
(All amounts in Rs. In Lakhs, unless otherwise stated)

**Note 16: Provisions**

	31 March 2019	31 March 2018
<b>Non-current</b>		
Employee benefits - Gratuity (Refer note 29)	37.36	24.86
Employee benefits - Leave Encashment	3.40	1.31
	<u>40.76</u>	<u>26.17</u>
<b>Current</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Employee benefits - Gratuity (Refer note 29)	3.24	2.51
Employee benefits - Leave Encashment	0.49	0.32
Other Provisions	-	-
	<u>3.73</u>	<u>2.83</u>

**Note 17: Borrowings**

	31 March 2019	31 March 2018
<b>Current Borrowings</b>		
<b>Secured</b>		
Bank overdraft (secured) *	-	28.69
	<u>0.00</u>	<u>28.69</u>

\*The overdraft facilities from banks are secured by lien on fixed deposits

**Unsecured**

Loan from related party - TSL	10.00	-
Repayable on demand	-	-
	<u>10.00</u>	<u>0.00</u>

**Note 18: Trade payables**

	31 March 2019	31 March 2018
<b>Current</b>		
Trade payables: micro and small enterprises	-	-
Trade payables: others	19.25	45.17
Trade payables to related parties (note:33)	2.86	0.00
	<u>22.12</u>	<u>45.17</u>

Based on the information available with the Company, there are no suppliers whose outstanding is due as on March 31, 2019, and who are registered as micro or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

**Note 19: Other financial liabilities**

	31 March 2019	31 March 2018
<b>Current</b>		
Employees Benefits Payable	2.05	0.58
Other Financial Liabilities	-	-
	<u>2.05</u>	<u>0.58</u>

**Note 20: Contract liabilities**

	31 March 2019		31 March 2018	
	Current	Non Current	Current	Non Current
Contract Liabilities - Recruitment package and candidate services	29.55	-	-	-
	<u>29.55</u>	<u>-</u>	<u>-</u>	<u>-</u>

(i) Revenue recognised in relation to contract liabilities

	31 March 2019	31 March 2018
Revenue recognised that was included in the Contract liability balance at the beginning of the period		
- Recruitment Package and Candidate Services	52.65	0.00
	<u>52.65</u>	<u>0.00</u>

(ii) Revenue recognised in the reporting period from performance obligations satisfied in previous year - Nil

**Note 21: Other current liabilities**

	31 March 2019	31 March 2018
Statutory dues payable	22.16	11.23
Advance From Customers	0.26	0.00
Deferred Revenue	-	52.65
	<u>22.42</u>	<u>63.88</u>



**Cassius Technologies Private Limited**

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in Rs. In Lakhs, unless otherwise stated)

**Note 22: Revenue from operations  
(Net of taxes)**

	31 March 2019	31 March 2018
<b>Sale of Services</b>		
Recruitment Services	451.08	265.89
Branding Partnership	83.93	66.72
Online Advertisement Services	118.14	114.72
Candidate Services	180.92	135.75
Online Assessments	2.73	-
<b>Total revenue</b>	<b>836.80</b>	<b>583.08</b>

**Reconciliation of revenue recognised with contract price**

	31 March 2019	31 March 2018
Contract price	836.80	583.08
-Adjustments	-	-
	<b>836.80</b>	<b>583.08</b>

All performance obligations are part of contracts that have an original expected duration of one year or less. All consideration from contract with customers is included in the transaction price.

**Note 23: Other income**

	31 March 2019	31 March 2018
<b>Interest income on:</b>		
Deposits with banks	3.81	10.31
Income Tax Refunds	1.83	0.19
	5.64	10.51
Miscellaneous income	-	0.03
<b>Total other income</b>	<b>5.64</b>	<b>10.54</b>

**Note 24: Employee benefits expense**

	31 March 2019	31 March 2018
Salaries, wages and bonus	392.64	309.43
Gratuity expense	6.05	7.43
Leave Encashment	2.26	1.43
Contribution to provident fund and other funds	10.60	8.74
Staff welfare expenses	10.28	12.86
Other employee benefit expenses	-	-
<b>Total employee benefit expense</b>	<b>421.82</b>	<b>339.90</b>

**Note 25: Finance Cost**

	31 March 2019	31 March 2018
<b>Interest on loans</b>		
Loan from Bank	0.57	0.92
Car Loan	-	0.02
TeamLease Services Limited, Holding Company	0.01	-
	<b>0.57</b>	<b>0.94</b>

**Note 26: Depreciation and amortisation**

	31 March 2019	31 March 2018
Depreciation of property, plant & equipment (Refer Note No.4)	25.64	23.96
Amortization of other intangible assets (Refer Note No.5)	16.00	0.50
	<b>41.64</b>	<b>24.45</b>



**Cassius Technologies Private Limited**

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in Rs. In Lakhs, unless otherwise stated)

**Note 27: Other expenses**

	<u>31 March 2019</u>	<u>31 March 2018</u>
Rent	11.19	12.33
Rates & taxes	0.41	2.46
Electricity	3.70	3.72
Traveling and conveyance	13.68	6.20
Repairs and maintenance		
-Others	9.89	8.05
Printing and stationery	1.99	2.22
Communication costs	8.14	8.58
Legal and professional charges	13.32	85.28
Auditors' remuneration (Refer note below)	2.35	2.35
Advertisement and business promotion	28.40	17.32
Bad Debts written off	7.15	6.50
Provision for bad and doubtful debts	(1.36)	5.17
Provision for Doubtful Advance	2.72	-
Office expenses	4.33	5.56
Foreign exchange loss	0.01	0.03
Misc Expense	4.76	33.31
Hosting Charges	60.23	47.94
SMS Charges	32.64	20.10
	<u><b>203.54</b></u>	<u><b>268.06</b></u>

**Note: Payment to auditors**

	<u>31 March 2019</u>	<u>31 March 2018</u>
<b>As auditor (Net of GST)</b>		
Statutory audit fee	0.94	0.85
Tax audit fee	0.28	0.25
Other Fees	1.13	2.15
Reimbursement of expenses	0.01	-
	<u><b>2.35</b></u>	<u><b>3.25</b></u>

**Note 28: Earnings per share**

The following reflects the income and share data used in the basic and diluted EPS computations:

	<u>31 March 2019</u>	<u>31 March 2018</u>
Profit/(Loss) attributable to equity shareholders (Rs.)	142.29	(39.57)
Nominal value of each equity share	10.00	10.00
Weighted average number of equity shares outstanding during the year	<b>11,111</b>	<b>10,925</b>
EPS - basic and diluted (Rs.)	1,280.66	(362.17)

**Computation of Weighted Average Number of Equity Shares**

	<u>31 March 2019</u>	<u>31 March 2018</u>
Number of Equity Shares outstanding at beginning of the year	11,111	10,000
Add: Weighted Average number of equity shares issued during the previous year		
- 1,111 equity shares issued on June 01, 2017 for 304 days	-	925.00
<b>Weighted average number of equity shares outstanding at the end of the year for computing basic and diluted earnings per share</b>	<b>11,111</b>	<b>10,925</b>



**Cassius Technologies Private Limited**

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in Rs. In Lakhs, unless otherwise stated)

**Note 29 : Employee benefit obligation**

**(i) Gratuity**

The Company has defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed 4 years and 240 days of service are eligible for gratuity on departure at 15 days salary (last drawn) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement.

These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Demographic Risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation.

The following table summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	31 Mar 2019	31 March 2018
Defined benefit obligation at beginning of the year	27.37	15.86
Current service cost	6.77	5.10
Past service cost	-	-
Interest cost on defined benefit obligation	2.01	1.21
Benefits paid	(3.09)	-
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumptions	3.32	(0.68)
Actuarial (gain) / loss arising from changes in financial assumptions	(1.04)	8.06
Actuarial (gain) / loss arising from changes in experience adjustments	5.26	(2.18)
<b>Defined benefit obligation at end of the year</b>	<b>40.60</b>	<b>27.37</b>
	<b>31 Mar 2019</b>	<b>31 March 2018</b>
Current	3.24	2.51
Non-current	37.36	24.86
<b>Net defined benefit liability/ (assets)</b>		
	<b>31 Mar 2019</b>	<b>31 March 2018</b>
Present value of non-funded obligation	40.60	27.37
Fair value of plan assets	-	-
<b>Net liability</b>	<b>40.60</b>	<b>27.37</b>
<b>Net benefit cost recognised in statement of profit and loss</b>		
	<b>31 Mar 2019</b>	<b>31 March 2018</b>
Current service cost	6.77	5.10
Past service cost	-	-
Interest cost on defined benefit obligation	2.01	1.21
<b>Net benefit expense</b>	<b>8.77</b>	<b>6.30</b>
<b>Remeasurement loss/(gains) in other comprehensive income</b>		
	<b>31 Mar 2019</b>	<b>31 March 2018</b>
Particulars		
Due to change in demographic assumptions	3.32	(0.68)
Due to change in financial assumptions	(1.04)	8.06
Due to change in experience adjustments	5.26	(2.18)
<b>Actuarial loss/(gain) recognised in OCI</b>	<b>7.55</b>	<b>5.21</b>



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**Cassius Technologies Private Limited**

Notes to the standalone financial statements for the year ended 31 March 2019  
(All amounts in Rs. In Lakhs, unless otherwise stated)

The principal assumptions used in determining gratuity benefit obligation are shown below:

	31 Mar 2019	31 March 2018
Discount rate	7.78%	7.60%
Salary escalation rate	12%	12%
Attrition rate	12%	12%
Retirement age	58	58
Mortality tables	Indian Assured Lives Mortality (2006-08) Ult Table	Indian Assured Lives Mortality (2006-08) Ult Table

**Note:**

1) The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, parameter and other relevant factors such as supply and demand factors in employment matter.

**Sensitivity analysis**

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at 31 March 2019 and 31 March 2018 are as shown below:

	Discount rate		Salary escalation rate	
	31 Mar 2019	31 March 2018	31 Mar 2019	31 March 2018
1% increase	35.89	25.22	43.18	29.13
1% decrease	46.32	29.83	37.55	25.67

	Attrition rate	
	31 Mar 2019	31 March 2018
1% increase	39.52	26.76
1% decrease	41.88	28.04

The sensitivity analyses above have been determined based on a method that extrapolates the impact of defined benefit obligation as a result of reasonable changes in key assumptions used at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years

	31 Mar 2019	31 March 2018
Year 1	1.99	2.29
Year 2	1.73	2.25
Year 3	1.75	2.22
Year 4	1.83	2.19
Year 5	1.58	2.15
Next 5 years	10.66	11.26

The weighted average duration of defined benefit obligation at the end of the reporting period is 17.28 years (31 March 2018: 15.36 years)

**(ii) Leave Obligation**

The leave obligations cover the company's liability for earned leave which are classified as other current and non-current provision for employee benefits. The bifurcation of the current and non-current is based on the past experience of employee's retirement, resignations or on his death on the basis of the salary he would be drawing at the time of his separation from the company

	31 Mar 2019	31 March 2018
Leave Obligations not expected to be settled within the next 12 months	3.40	1.31
	<b>3.40</b>	<b>1.31</b>

**(iii) Defined Contribution Plans**

The company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 13.52 Lakhs

	31 Mar 2019	31 March 2018
Total contribution	13.52	9.97
-less amount capitalised	5.37	3.22
<b>Amount debited to P&amp;L</b>	<b>8.16</b>	<b>6.76</b>





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**Notes to the standalone financial statements for the year ended 31 March 2019**  
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**Note 30: Fair value measurements**

**Financial instruments by category and hierarchy**

Particulars	31 March 2019		
	Amortised cost	FVOCI	FVTPL
<b>Financial Assets</b>			
Loans - security deposits	14.50	-	-
Trade receivables	119.39	-	-
Cash and cash equivalents	27.64	-	-
Bank balances other than cash and cash equivalents	-	-	-
Fixed Deposits with banks (Maturity of more than 12 months)	-	-	-
Interest accrued on deposits	-	-	-
<b>Total financial assets</b>	<b>161.53</b>	-	-
<b>Financial liabilities</b>			
Trade payables	22.12	-	-
Borrowings	10.00	-	-
Other financial liabilities	2.05	-	-
<b>Total financial liabilities</b>	<b>34.17</b>	-	-

Particulars	31 March 2018		
	Amortised cost	FVOCI	FVTPL
<b>Financial Assets</b>			
Loans - security deposits	14.50	-	-
Trade receivables	56.08	-	-
Cash and cash equivalents	138.65	-	-
Bank balances other than cash and cash equivalents	30.83	-	-
Fixed Deposits with banks (Maturity of more than 12 months)	13.10	-	-
Interest accrued on deposits	7.33	-	-
<b>Total financial assets</b>	<b>260.50</b>	-	-

<b>Financial liabilities</b>			
Trade payables	45.17	-	-
Borrowings	28.69	-	-
Other financial liabilities	0.58	-	-
<b>Total financial liabilities</b>	<b>74.44</b>	-	-

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

The fair value of the financial assets and liabilities is included in the amount at which the instruments could be exchanged in a current transaction between fulfilling parties, other than in a forced or liquidation sale.

**Fair value hierarchy**

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

**Level 1:** This level of hierarchy includes financial assets and liabilities, measured using quoted prices (unadjusted) in active markets. This category consists of investment in mutual funds.

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

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



**Cassius Technologies Private Limited**

**Notes to the standalone financial statements for the year ended 31 March 2019**

(All amounts in Rs. In Lakhs, unless otherwise stated)

**Note 31: Financial risk management objectives and policies**

- i) The Company's board of directors have the overall responsibility of the establishment and oversight of its risks management framework.
- ii) The Company's principal financial liabilities comprise trade and other payables. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations.
- iii) The Company's activities exposes it to market risk, liquidity risk and credit risk.
- iv) These risks are identified on a continuous basis and assessed for the impact on the financial performance. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk.

Financial instruments affected by market risks include trade receivable and trade payable.

**(i) Foreign Currency Risk**

Foreign currency risks is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company does not have significant foreign currency exposure and hence is not exposed to any significant foreign currency risks.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have significant debt obligation with floating interest rates, hence is not exposed to any significant interest rate risks.

**(b) Credit risk**

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities with banks and financial institutions, loans receivables and other financial instruments.

**Trade receivables**

With respect to trade receivables/unbilled revenue, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year that has not been provided for.

**Assets under credit risk**

	31-Mar-19	31-Mar-18
Trade receivable	119.39	56.08
Advance to employees	0.02	0.02
Security deposit	14.50	14.50
Other financial assets	-	7.33
<b>Total</b>	<b>133.91</b>	<b>77.93</b>



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**Cassius Technologies Private Limited**  
**Notes to the standalone financial statements for the year ended 31 March 2019**  
 (All amounts in Rs. In Lakhs, unless otherwise stated)

The following table summarises the changes in the loss allowance measured using ECL:

Particulars	31-Mar-19	31-Mar-18
Opening balance	8.51	3.35
Amount provided/ (reversed) during the year	(1.36)	5.17
Closing provision	7.15	8.51

**Financial instrument and cash deposit**

Credit risk from balances with the banks and financial institutions and current investment are managed by the Company's treasury team based on the Company's policy. Investment of surplus fund is made only with approved counterparties.

Counterparty credit limits are reviewed by the company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	0-1 year	1-2 years	2 years and above	Total
<b>As at 31 March 2019</b>				
Loan from related party - TSL	10.00	-	-	10.00
Trade payables	22.12	-	-	22.12
Other financial liabilities	2.05	-	-	2.05
	<b>34.17</b>	<b>-</b>	<b>-</b>	<b>34.17</b>
<b>As at 31 March 2018</b>				
Loan against FD	28.69	-	-	28.69
Trade payables	45.17	-	-	45.17
Other financial liabilities	0.58	-	-	0.58
	<b>74.44</b>	<b>-</b>	<b>-</b>	<b>74.44</b>

**Note 32: Capital management**

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future development of its business. The Company focused on keeping strong capital base to ensure independence, to ensure sustained growth in business.

The Company is predominantly equity financed. To maintain and adjust capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company has very minimal amount of borrowings and mainly funded through equity, the existing surplus funds along with the cash generated by the Company are sufficient to meet its current/non-current obligation and working capital requirements



**Note 33: Related party disclosure**

**(i) List of related parties and relationship:**

Description of relationship	Names of the related parties
a) Holding Company	Teamlease Services Limited (w.e.f August 01, 2018)
	Joby Joseph - Managing Director - upto January 21, 2019 and Director - w.e.f January 22, 2019
b) Key management personnel and their relatives	Ravi Vishwanath N - Director - Appointed w.e.f July 30, 2018
	Ramani Dathi - Director - Appointed w.e.f January 21, 2019
	Jaisy Joseph - Director - Resigned w.e.f July 30, 2018
	Ashok Kumar Nedurumalli - Director - Resigned w.e.f January 21, 2019

(ii) Transactions with related parties	31 March 2019	31 March 2018
<b>Loan and advances received</b>		
TeamLease Services Limited	10.00	-
<b>Interest paid on loan</b>		
TeamLease Services Limited	0.01	-
<b>Consultancy/services charges paid</b>		
TeamLease Services Limited	2.65	-
<b>Operating Income</b>		
TeamLease Services Limited	18.75	-
<b>Issue of Equity Shares</b>		
Holding Company		
- Teamlease Services Limited	-	200.00
<b>Managerial/ Directors Remuneration</b>		
Joby Joseph	40.90	33.22
Jaisy Augustine	3.66	10.03

\*Managerial Remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on actuarial valuation carried out for the Company as a whole.

**Other expenses (reimbursement paid)**

<b>Key management personnel/ Director</b>		
- Joby Joseph	2.29	2.30

**(iii) Outstanding balances as at year ended**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	31 March 2019	31 March 2018
<b>Loan and advances payable</b>		
TeamLease Services Limited	10.00	-
<b>Trade/other Receivables</b>		
TeamLease Services Limited	0.21	-
<b>Sundry Creditors</b>		
TeamLease Services Limited	2.86	-

\*As the liability for gratuity and leave encashment is provided on actuarial valuation basis for the company as a whole, the amount pertaining to directors are not included.

**Note 34: Contingent Liabilities**

There are no reportable contingent liability.

**Note 35: Commitments**

**(a) Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for as at:

	31 March 2019	31 March 2018
Property, plant and equipment	-	-

**Note 36: Cancellable and non-cancellable operating leases**

The Company has entered into various cancellable and non-cancellable operating lease agreements for office premises at various locations. The lease period ranges between 1 year to 9 years. The lease rental charged during the year and obligation on the long term non-cancellable operating lease as per the lease agreement are as follows :

	31 March 2019	31 March 2018
Lease rentals under cancellable and non-cancellable leases	17.84	17.51

Commitments for minimum lease payments in relation to non-cancellable operating leases are as follows:

	31 March 2019	31 March 2018
Within one year	-	-
Later than one year but not later than five years	-	-
Later than five years	-	-



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**Cassius Technologies Private Limited**

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in Rs. In Lakhs, unless otherwise stated)

**Note 37: First time Adoption**

The Company applied INDAS 115 for the first time by using the modified retrospective method of adoption with the date of initial application of April 1, 2018. Under this method, comparative prior period has not been adjusted.

The Company has elected to apply the revenue standard only to contracts that are not completed as at the date of initial application. The following table presents the amount by which each financial statement line item is affected in the current year ended 31 March, 2019 by application of INDAS 115 as compared with the previous revenue recognition requirements. Line item that were not affected by the changes have not been included. As a result the subtotals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more details below:

Balance Sheet (Extract)/ Profit and loss (Extract) year ended 31st March 2019	31st March 2019 without adoption of IND AS 115	Increase/ (Decrease)	31st March 2019 as reported
<u>Contract Liabilities</u>			
Contract Liabilities	-	29.55	29.55
<u>Other Current Liabilities</u>			
Deferred Revenues	29.55	(29.55)	-

**Note : 38 Previous year figures have been regrouped**

The figures of the previous periods have been regrouped/reclassified, where necessary, to conform with the current year's classification.

For Manian & Rao  
ICAI Firm Registration Number: 001983S  
Chartered Accountants

  
Paresh Daga  
Partner  
Membership Number: 211468



Place: Bangalore  
Date: 22-05-2019

For and on behalf of the board of directors



Ravi Vishwanath N  
Director  
DIN: 07332234



Ramani Dathi  
Director  
DIN: 08296675

Place: Bangalore  
Date: 22-05-2019

