

Radisys India Private Limited
Financial Statements
2019-20

Independent Auditor's Report

The Members of Radisys India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Radisys India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

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

Basis for Opinion

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash flows and 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 financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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- 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 the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No.117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 025776)

Place: Bengaluru,
Date: April 24, 2020
UDIN: 20025776AAAABQ6278

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 Radisys India Private Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 025776)

Place: Bengaluru,
Date: April 24, 2020
UDIN: 20025776AAAABQ6278

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 regular programme of verification of its fixed assets by which all the assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits.
- (vi) Having regard to the nature of the Company’s business/ activities, reporting under clause (vi) of the Order with regard to cost records is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

- (b) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. in million)
Income-tax Act, 1961	Income-tax	Income Tax Appellate Tribunal, Bengaluru	AY 2005-06	1.75*
			AY 2006-07	4.73**
			AY 2015-16	28.24***

* Net of Rs 1.75 Million paid under protest.

** Net of Rs 1 Million paid under protest.

***Net of Rs. 7.06 Million paid under protest.

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (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 clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

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- (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 clause (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 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
 - (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
 - (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 directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Act are not applicable.
 - (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 025776)

Place: Bengaluru,
Date: April 24, 2020
UDIN: 20025776AAAABQ6278

Balance Sheet

(Amount in Rs. Millions, except for share data or as otherwise stated)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	4	310.33	164.88
	(b) Right-of-use assets	5	154.80	-
	(c) Other Intangible assets	6	232.43	-
	(d) Financial Assets	7		
	(i) Loans	7.1	43.67	43.67
	(e) Deferred tax assets (Net)	32B	65.69	71.52
	(f) Other non-current assets	8	138.16	84.23
	Total Non - Current Assets		945.08	364.30
2	Current assets			
	(a) Financial Assets	9		
	(i) Investments	9.1	77.62	-
	(ii) Trade receivables	9.2	783.79	493.16
	(iii) Cash and cash equivalents	9.3	275.71	589.95
	(iv) Loans	9.4	4.60	3.37
	(v) Other financial assets	9.5	0.44	1.62
	(b) Other current assets	10	18.91	14.29
	Total Current Assets		1,161.07	1,102.39
	Total Assets (1+2)		2,106.15	1,466.69
	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share capital	11	2.10	2.10
	(b) Other Equity	12	1,384.47	1,181.16
	Total Equity		1,386.57	1,183.26
2	LIABILITIES			
	Non-current liabilities			
	(a) Financial liabilities	13		
	(i) Lease liabilities	13.1	94.41	-
	(b) Other non-current liabilities	14	-	9.50
	(c) Provisions	15	125.60	97.83
	Total Non - Current Liabilities		220.01	107.33
3	Current liabilities			
	(a) Financial Liabilities			
	(i) Lease liabilities	13.1	79.48	-
	(ii) Trade payables	16.1		
	(a) Total outstanding dues of micro enterprises and small enterprises	-	-	
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		221.78	45.98
	(iii) Other financial liabilities	17	71.39	43.63
	(a) Provisions	18	62.20	47.57
	(b) Other current liabilities	19	64.72	38.92
	Total Current Liabilities		499.57	176.10
	Total Equity and Liabilities (1+2+3)		2,106.15	1,466.69

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Date:
Place: Bangalore

For and on behalf of the Board of Directors

Nitesh Varshney
Director
DIN: 01494603

Date:
Place: Bangalore

Anshuman Thakur
Director
DIN: 03279460

Date:
Place: Mumbai

Harish Gilla
Director
DIN: 08418388

Date:
Place: Mumbai

Statement of Profit and Loss

(Amount in Rs. Millions, except for share data or as otherwise stated)

	Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from operations	20	2,616.17	1,952.61
II	Other income	21	83.01	63.29
III	Total Revenue (I + II)		2,699.18	2,015.90
IV	EXPENSES			
	(a) Employee benefits expense	22	1,809.74	1,367.15
	(b) Finance costs	23	17.65	-
	(c) Depreciation and amortization expense	24	165.04	49.59
	(d) Other expenses	25	411.25	288.14
	Total Expenses (IV)		2,403.68	1,704.88
V	Profit before tax (III - IV)		295.50	311.02
VI	Tax Expense			
	(1) Current tax	32A	71.67	117.36
	(2) Deferred tax	32B	9.53	(12.05)
	Total tax expense		81.20	105.31
VII	Profit for the year (V - VI)		214.30	205.71
VIII	Other comprehensive income / (loss)		(10.99)	1.71
A	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)		(14.69)	2.41
	(ii) Income tax relating to items that will not be reclassified to profit or loss		3.70	(0.70)
B	(i) Items that may be reclassified to profit or loss		-	-
IX	Total comprehensive income for the year (VII + VIII)		203.31	207.42
X	Earnings per equity share: in Rs.	31		
	(i) Basic		1,020.48	979.57
	(ii) Diluted		1,020.48	979.57

See accompanying notes forming part of the financial statements

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

S Sundaresan
Partner

Date:
Place: Bangalore

For and on behalf of the Board of Directors

Nitesh Varshney
Director
DIN: 01494603

Date:
Place: Bangalore

Anshuman Thakur
Director
DIN: 03279460

Date:
Place: Mumbai

Harish Gilla
Director
DIN: 08418388

Date:
Place: Mumbai

Statement of Cashflows

(Amount in Rs. Millions, except for share data or as otherwise stated)

Particulars	Year ended		Year ended	
	March 31, 2020		March 31, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit for the year		295.50		311.02
<i>Adjustments for:</i>				
Depreciation expenses	165.04		49.59	
Interest income	(4.71)		(2.54)	
Interest expense on lease liabilities	17.65			
Loss on disposal of property, plant and equipment	1.59			
Rent equalisation	-		3.44	
Net unrealised exchange foreign exchange loss / (gain)	(26.39)		24.13	
		153.18		74.62
Operating loss before working capital changes		448.68		385.64
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Financial Assets				
Trade receivables	(266.95)		332.23	
Loans (current and non-current)	(1.23)		2.67	
Other financial assets	1.18		2.40	
Non-financial assets				
Other assets (current and non-current)	(53.52)		(28.35)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Financial liabilities				
Trade payables	173.05		16.88	
Other financial liabilities	-		(1.05)	
Non-financial liabilities				
Provisions (current and non-current)	24.34		15.50	
Other liabilities (current and non-current)	25.80		7.78	
		(97.32)		348.06
Cash generated from operations		351.36		733.70
Direct taxes paid (net of refunds)		(73.33)		(109.01)
Net cash flow generated from / (used-in) operating activities (A)		278.03		624.69
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property, plant and equipment and right-of-use assets	(192.04)		(68.42)	
Capital expenditure on intangible assets	(247.52)		-	
Interest received	4.71		2.54	
Net cash flow generated from / (used-in) investing activities (B)		(434.85)		(65.88)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Payments of interest portion of lease liabilities	(17.65)			
Payments of principal portion of lease liabilities	(67.61)			
Net cash flow from / (used in) financing activities (C)		(85.26)		
Net increase / (decrease) in cash and cash equivalents (A+B)		(242.08)		558.81
Add: Cash and cash equivalents at the beginning of the year		589.95		48.85
Less: Effect of exchange differences on restatement of foreign currency cash and cash equivalents		5.46		(17.71)
Cash and cash equivalents at the end of the year*		353.33		589.95
Reconciliation of Cash and Cash Equivalents as defined in Ind AS 7:				
Cash and cash equivalents as per Balance Sheet		275.71		589.95
Add: Current investments considered as part of Cash and cash equivalents in the Cash Flow Statements.		77.62		-
Cash and cash equivalents at the end of the year		353.33		589.95

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

S Sundaresan
Partner

Nitesh Varshney
Director
DIN: 01494603

Anshuman Thakur
Director
DIN: 03279460

Harish Gilla
Director
DIN: 08418388

Date:
Place: Bangalore

Date:
Place: Bangalore

Date:
Place: Mumbai

Date:
Place: Mumbai

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

(a) Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
(1) Equity share capital				
Equity Shares of Rs.10 each with voting rights	2,100,000	21.00	2,100,000	21.00
Total Equity Share Capital	2,100,000	21.00	2,100,000	21.00

(b) Other equity

Particulars	Surplus in statement of profit and loss
As at April 1, 2018	973.74
Profit for the year	205.71
Other comprehensive income / (loss)	1.71
As at March 31, 2019	1,181.16
As at April 1, 2019	1,181.16
Profit for the year	214.30
Other comprehensive income / (loss)	(10.99)
As at March 31, 2020	1,384.47

See accompanying notes forming part of the financial statements

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

S Sundaresan
Partner

Date:
Place: Bangalore

For and on behalf of the Board of Directors

Nitesh Varshney
Director
DIN: 01494603

Date:
Place: Bangalore

Anshuman Thakur
Director
DIN: 03279460

Date:
Place: Mumbai

Harish Gilla
Director
DIN: 08418388

Date:
Place: Mumbai

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

1 Corporate Information

Radisys India Private Limited (formerly Continuous Computing India Private Limited) (“the Company”) was incorporated on January 27, 2004 as a private limited company under Companies Act, 1956. The name of the Company was changed to Radisys India Private Limited with effect from August 9, 2012.

The Company is mainly engaged in the business of providing software development and support services. The Company is registered as a 100% Export Oriented Unit (EOU) and operates under Software Technology Parks of India (‘STPI’) scheme of Government of India.

2 Basis of accounting and preparation of financial statements

(a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Refer Note 38 for the initial adoption of Ind AS 116 with effect from April 1, 2019 (“date of transition”).

(b) Basis of measurement

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

- i) Certain financial assets and liabilities measured at fair value,
- ii) Share based payment transactions; and
- iii) Defined benefit and other long-term employee benefit obligations

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

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

(c) Functional currency

The financial statements of the Company is presented in India Rupees (INR) and all values are rounded to the nearest millions, except when otherwise indicated.

(d) Significant estimates and assumptions

Critical accounting judgments and key sources of estimation uncertainty

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

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

Significant estimates and assumptions

The preparation of the Company’s financial statements requires management to make judgements, estimates and assumptions

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

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 judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate primarily to defined benefit obligations, useful life of Property Plant & Equipment and classification of Legal matters and Tax litigations at the end of the reporting period.

(i) **Defined benefit obligations**

The cost of defined benefit gratuity plans, is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

(ii) **Useful life of Property, Plant & Equipment**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of Profit and loss. The useful lives of the Company's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(iii) **Classification of Legal matters and Tax litigations**

The litigations and claims to which the Company is exposed are assessed by management with assistance of the legal department and in certain cases with the support of external specialized lawyers. Disclosures related to such provisions, as well as contingent liabilities, also require judgment and estimations if any.

(iv) **Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives.

(iv) **Estimation of uncertainties relating to the global health pandemic from Corona Virus (COVID-19):**

The COVID -19 pandemic is rapidly spreading throughout the world. The Company has evaluated impact of this pandemic on the financial statements based on its review of current indicators of future economic conditions. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions, the effect of which will be given in the respective future period.

3 Summary of significant accounting policies

3.1 Revenue Recognition

(i) **Rendering of services**

Revenue is recognised on the cost plus basis at a margin of 15% based on the underlying contractual terms and conditions entered with its group entity. Revenue in excess of billings is classified as 'Unbilled revenues' under other current assets and billings in excess of earnings are classified as 'Unearned revenues' under other current liabilities.

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

(ii) Interest income

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

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management and includes borrowing costs capitalised in accordance with the Company's accounting policy. The company depreciates property, plant and equipment over the useful lives as prescribed below:

Class of asset *	Useful life
Computers	3 - 6 years
Furniture and fixtures	5 years
Office Equipment	5 years

Leasehold improvements are depreciated over primary lease period.

*For these class of assets, based on internal technical assessment, taking into account the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, the management believes that the useful lives as given above best represent the period over which Management expects to use these assets.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the Ind AS financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed-off are reported at the lower of the carrying value or the fair value less cost to sell.

When significant parts of plant and equipment are required to be replaced at intervals, the same is recognised as a separate component.

Intangible Assets

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful life of the computer softwares are ranging from 1-5 years.

3.3 Leases:

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves—(a) the use of an identified asset, (b) the right to obtain substantially all the economic benefits from use of the identified asset, and (c) the right to direct the use of the identified asset.

The Company has primarily leased office buildings and vehicles. The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

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

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

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

3 Summary of significant accounting policies (continued)

3.4 Income taxes

Tax expense comprises of current income and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss 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.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except for asset and liability arising on account of transactions that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised, except:

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and liabilities are measured based on 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 liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

3.5 Foreign currencies

The Company's financial statements are presented in Indian National Rupee (INR) which is also its functional currency.

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise. income and expense items in foreign currency are translated at the average

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

3.6 Employee benefits

Retirement benefit costs and termination benefits

Expenditure on defined contribution retirement benefit plan are recognised when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Interest expense is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. Defined benefit costs are categorised as follows:

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

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

The retirement benefit obligation recognised in the balance sheet represents the actual deficit in the Company's defined benefit plans.

Defined contribution plan

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Compensated absence

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.7 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimate. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.8 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

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

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

Subsequent measurement:

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of 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 or loss

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

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest rate method.

Impairment

Financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. The Company measures the expected credit losses through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

Non-financial assets

Non-financial assets are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

3.9 Cash and cash equivalents

Cash and Cash equivalents for the purpose of cash flow statement comprise cash in hand, cash at bank, demand deposits with banks and other short-term highly liquid investments / deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.10 CENVAT/GST input credit

CENVAT/GST input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

3.11 Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which would have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at later date. In computing the dilutive earnings per share, potential equity shares that are dilutive i.e. which reduces earnings per share or increase loss per share included.

3.12 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker ('CODM').

3.13 Operating cycle

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

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

4 Property, Plant and Equipment:

Carrying amounts of	As at March 31, 2020	As at March 31, 2019
Computers	117.60	73.19
Office Equipment	192.24	91.45
Furniture & Fixtures	0.49	0.24
Leasehold improvements	-	-
	310.33	164.88

Description of Assets	Property, Plant and Equipment				
	Computers	Office Equipment	Furniture & Fixtures	Leasehold improvements	Total
I. Deemed cost					
As at April 1, 2018	81.77	66.97	0.68	11.05	160.47
Additions	46.75	64.27	0.09	-	111.11
Disposals	-	(0.29)	-	-	(0.29)
As at March 31, 2019	128.52	130.95	0.77	11.05	271.29
Additions	79.44	139.96	0.38	-	219.78
Disposals	(6.21)	(6.44)	-	-	(12.65)
As at March 31, 2020	201.75	264.47	1.15	11.05	478.42
II. Accumulated depreciation and impairment					
As at April 1, 2018	26.85	19.57	0.40	10.27	57.09
Depreciation expense for the year	28.48	20.20	0.13	0.78	49.59
Eliminated on disposal of assets	-	(0.27)	-	-	(0.27)
As at March 31, 2019	55.33	39.50	0.53	11.05	106.41
Depreciation expense for the year	35.03	37.58	0.13	-	72.74
Eliminated on disposal of assets	(6.21)	(4.85)	-	-	(11.06)
As at March 31, 2020	84.15	72.23	0.66	11.05	168.09
Net block (I-II)					
As at March 31, 2019	73.19	91.45	0.24	-	164.88
As at March 31, 2020	117.60	192.24	0.49	-	310.33

5 Right-of-use assets

Particulars	Leasehold improvements	Vehicles	Total
Gross carrying value:			
As at the date of transition	227.67	2.65	230.32
Additions	-	1.68	1.68
Deletions	-	-	-
As at March 31, 2020	227.67	4.33	232.00
Accumulated depreciation:			
Depreciation for the year	76.14	1.06	77.20
Deletions	-	-	-
As at March 31, 2020	76.14	1.06	77.20
Net carrying value as at March 31, 2020	151.53	3.27	154.80

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

6 Other intangible assets

Particulars	As at March 31, 2020	As at March 31, 2019
Computer Software		
Gross carrying value:		
As at April 1, 2019	-	-
Additions	247.52	-
Deletions	-	-
As at March 31, 2020	247.52	-
Accumulated amortisation:		
As at April 1, 2019	-	-
Amortisation	15.09	-
Deletions	-	-
As at March 31, 2020	15.09	-
Net carrying value as at March 31, 2020	232.43	-

Non-current assets

7 Financial Assets

7.1 Loans - unsecured considered good

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	43.67	43.67
Total	43.67	43.67

8 Other non-current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Other security deposits paid	1.93	1.83
Prepaid expenses	0.06	0.07
Balances with government authorities:		
- CENVAT credit / refund receivable	2.82	4.17
- Goods and Service Tax receivable	104.68	54.52
Advance tax and Tax deducted at source (net of provision for tax)	28.67	23.64
Total	138.16	84.23

Current Assets

9 Financial Assets

9.1 Investments

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Investments carried at fair value through profit or loss		
Investment in mutual funds		
Aggregate value of quoted investments	77.62	-
Total	77.62	-

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

9.2 Trade receivables (Unsecured, considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables:		
considered good	783.79	493.16
Total	783.79	493.16

Entire receivables are from Company's Fellow subsidiary and hence no expected credit losses.

9.3 Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	-	-
Balances with banks :		
(i) In current accounts	275.71	589.95
Total	275.71	589.95
Of the above, balances that meet the definition of cash and cash equivalents as per Ind AS 7 Statement of Cash flow is	275.71	589.95
Add: Investments in liquid mutual funds (Refer note 9.1)	77.62	-
Cash and cash equivalents as per Statement of Cash flows	353.33	589.95

9.4 Loans

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	0.77	0.34
Employees advances	3.83	3.03
Total	4.60	3.37

9.5 Other financial assets

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Other receivables	0.44	1.62
Total	0.44	1.62

10 Other current assets

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	16.80	14.01
Advance to Suppliers	2.11	0.28
Total	18.91	14.29

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

11 Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised:				
(i) Equity Share Capital				
Equity Shares of Rs.10 each with voting rights	210,000	2.10	210,000	2.10
	210,000	2.10	210,000	2.10
(b) Issued, Subscribed and Fully paid-up:				
(i) Equity Share Capital				
Equity Shares of Rs.10 each with voting rights	210,000	2.10	210,000	2.10
Total	210,000	2.10	210,000	2.10

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of Rs.10 each with voting rights				
Opening balance	210,000	2.10	210,000	2.10
Add: Issued during the year	-	-	-	-
Closing balance	210,000	2.10	210,000	2.10

(ii) Details of shareholders holding more than 5% of the share capital:

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares with voting rights				
JIO Platforms Limited (Holding Company with effect from March 31, 2020)	209,994	99.99%	-	-
Reliance Industrial Investments and Holdings Limited (Holding Company with effect from December 24, 2018 to March 30, 2020)	-	-	209,994	99.99%

Rights, Preferences and Restrictions attached to equity shares

The Company has only one class of equity share having a par value of Rs.10 each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.

12 Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
Surplus in statement of profit and loss	1,384.47	1,181.16
Surplus in statement of profit and loss comprises of the Company's undistributed earnings net of amounts transferred to General reserve if any		
	1,384.47	1,181.16

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Surplus in statement of profit and loss		
Opening Balance	1,181.16	973.74
Profit for the year	214.30	205.71
Other comprehensive income / (loss) arising from remeasurements of the defined benefit liabilities / (asset) net of tax	(10.99)	1.71
Closing Balance	1,384.47	1,181.16

Non-current Liabilities

13 Financial liabilities

13.1 Lease liability

Particulars	As at March 31, 2020
As at the date of transition	239.82
Additions	1.68
Accretion of interest	17.65
Payments	85.26
Deletion	-
As at March 31, 2020	173.89
Current	79.48
Non-current	94.41

14 Other non-current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Rent equalisation	-	9.50
Total	-	9.50

15 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Provision for employee benefits		
Provision for Gratuity [Refer note 28.1.b]	125.60	97.83
Total	125.60	97.83

Current Liabilities

16.1 Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables		
Other than acceptances:		
- total outstanding dues of micro enterprises and small enterprises (refer note 27)	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	221.78	45.98
Total	221.78	45.98

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

17 Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Payable on purchase of property plant and equipment	71.39	43.63
Total	71.39	43.63

18 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Provision for employee benefits		
Provision for compensated absence	37.54	28.04
Provision for Gratuity [Refer note 28.1.b]	14.76	13.00
(b) Provision for income tax	9.90	6.53
Total	62.20	47.57

19 Other current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory remittances	64.72	38.92
Total	64.72	38.92

20 Revenue from operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Sale of services		
Income from software development services	2,597.03	1,925.04
Income from Pre sales and marketing	19.14	27.57
Total	2,616.17	1,952.61

21 Other income

Note	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a)	Interest income (Refer Note 1 below)	4.71	2.54
(b)	Net gain on foreign currency transactions and translation	70.68	56.47
(c)	Other non-operating income comprises: (Refer Note 2 below)	7.62	4.28
	Total	83.01	63.29

Note	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Interest income comprises:		
	Interest from bank deposits	4.71	2.34
	Interest from financial assets carried at amortised cost:	-	0.20
	Total - Interest income	4.71	2.54
2	Other non-operating income comprises:		
	Net gain on financial assets designated at fair value	7.62	-
	Sublease rental income (net of directly attributable expenses)	-	4.28
	Total - Other non-operating income	7.62	4.28

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

22 Employee benefits expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	1,651.22	1,238.43
Contributions to provident fund and other fund [Refer note 28.1.a]	70.08	53.09
Gratuity expenses [Refer note 28.1.b]	28.98	26.18
Staff welfare expenses	59.46	49.45
Total	1,809.74	1,367.15

23 Finance costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on lease liabilities	17.65	-
Total	17.65	-

24 Depreciation and amortization expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment (Refer note 4)	72.74	49.59
Depreciation of Right-of-use assets (Refer note 5)	77.21	-
Amortization of other intangible assets (Refer note 6)	15.09	-
Total	165.04	49.59

25 Other expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent including lease rentals	-	77.00
Power, fuel and water charges	43.12	38.50
Office maintenance	25.57	22.36
Rates and Taxes	2.01	2.13
Insurance	1.98	1.66
Communication expenses	11.27	9.87
Recruitment expenses	15.78	4.11
Travelling and Conveyance	79.43	80.40
Legal and Professional charges	152.02	13.66
Payments to Auditors (refer note-1 below)	1.99	1.42
Software expenses	22.76	8.55
Car hire charges	0.12	1.01
Equipment hire charges	13.14	0.27
Security and house keeping	15.01	14.38
Computer accessories and maintenance expenses	14.97	4.98
Clearing and forwarding charges	3.53	1.99
Loss on disposal of property plant and equipment	1.59	-
Printing and stationery	1.13	0.85
Bank charges	0.34	0.18
Contribution to corporate social responsibility	5.23	4.37
Miscellaneous Expenses	0.26	0.45
Total	411.25	288.14

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

Note 1 - Payments to Auditors:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As auditor:		
Statutory audit fees	1.40	1.25
Tax audit fee	0.15	0.15
For other services	0.40	-
Reimbursement of expenses	0.04	0.02
Total	1.99	1.42

Additional information to the financial statements

Note	Particulars	As at March 31, 2020	As at March 31, 2019
26	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities: The income-tax department has made adjustments to the Transfer Prices for the assessment years 2005-06, 2006-07 and 2015-16 which are disputed before various forums. Considering the facts and nature of disputes, the Company believes that the final outcome of the below disputes should be in favor of the Company and there should not be any material impact on the financial statements. Accordingly, no provision has been made in books for the below demands. The details pertaining to the aforementioned assessment years are as follows: Assessment year 2005-2006 Demand 3.50 Deposited under protest 1.75 Assessment year 2006-2007 Demand 5.73 Deposited under protest 1.00 Assessment year 2015-2016 Demand 35.30 Deposited under protest 7.06		
(ii)	Commitments: (a) Estimated amount of contracts remaining to be executed on capital account and not provided for:	20.56	7.83

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

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

Note Particulars

28 Employee benefit plans

28.1. a Defined contribution plans - Provident Fund and Employee State Insurance:

The Company makes provident fund and employee state insurance scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following contributions in the Statement of profit and loss.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provident fund	70.01	52.83
Employee state insurance	0.07	0.26

28.1. b Defined benefit plan - Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn eligible salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Insurer included as part of 'Contribution to provident and other funds' in Note 22 Employee benefit expense. Under this plan, the settlement obligation remains with the Company.

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

- A Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
- B Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
- C Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- D Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- E Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
- F In respect of the plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2020 by Mr. Arpan N Thanawala, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

The following table sets out the unfunded status of the gratuity scheme:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Components of employer expense		
Current service cost	21.05	19.01
Interest cost	7.93	7.17
Recognised in statement of profit and loss	28.98	26.18
Recognised in OCI	14.69	(2.41)
Total expense recognised in the Statement of total comprehensive income	43.67	23.77

Other Comprehensive Income (OCI)

Actuarial (gain) / loss due to DBO experience	2.48	(3.08)
Actuarial (gain) / loss due to DBO assumption changes	12.21	0.67
Actuarial (gains) / losses recognized in OCI	14.69	(2.41)

Defined Benefit Cost

Service cost	21.05	19.01
Net interest on net defined benefit liability / (asset)	7.93	7.17
Actuarial (gains) / losses recognized in OCI	14.69	(2.41)
Defined Benefit Cost	43.67	23.77

Change in defined benefit obligation (DBO) during the year

Present value of DBO at beginning of the year	110.83	96.85
Current service cost	21.05	19.01
Interest cost	7.93	7.17
Actuarial (gains) / losses	14.69	(2.41)
Benefits paid	(14.14)	(9.79)
Present value of DBO at the end of the year	140.36	110.83
	As at March 31, 2020	As at March 31, 2019
Current and Non Current Liability portion		
Particulars		
Current Asset / (Liability)	(14.76)	(12.92)
Non-Current Asset / (Liability)	(125.60)	(97.91)
Net Asset / (Liability)	(140.36)	(110.83)
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	140.36	110.83
Fair value of plan assets	-	-
Unfunded status [Surplus / (Deficit)]	(140.36)	(110.83)
Net asset / (liability) recognised in the Balance Sheet	(140.36)	(110.83)
Actuarial assumptions		
Discount rate	6.70%	7.60%
Expected return on plan assets		
Salary escalation	10% until year 3 inclusive, then 7%	10% until year 3 inclusive, then 7%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

Sensitivity Analysis

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

Gratuity Plan	As at March 31, 2020	As at March 31, 2019	-
Estimate value of obligation if discount rate is taken 0.5% higher	135.02	106.84	68.34
Estimated value of obligation if discount rate is taken 0.5% lower	146.09	115.10	77.76
Estimate value of obligation if salary growth rate is taken 0.5% higher	145.99	115.06	77.75
Estimate value of obligation if salary growth rate is taken 0.5% lower	135.06	106.83	68.31

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Maturity profile of defined benefit obligation:

Maturity profile, if it ensues	As at March 31, 2020	As at March 31, 2019	-
Year 1	14.76	12.92	11.02
Year 2	15.16	12.99	11.50
Year 3	15.15	13.18	4.67
Year 4	14.76	12.70	4.48
Year 5	14.12	12.04	4.27
Year 6	12.97	11.13	4.03
Year 7	12.03	10.17	3.92
Year 8	11.19	9.41	3.80
Year 9	11.49	8.76	3.70
Year 10 and above	146.49	123.87	193.36

29 Segment Information

The Company is engaged in providing software development and related services. As the Company operates in single operating segment i.e., software development and related services, the reporting disclosures envisaged in Ind AS 108 on operating segments, are not applicable to the Company. However, the geographical information are disclosed below:

Geographical information:

Geographic Segment	Revenues	Non-current assets*
India		
March 31, 2020	-	835.72
March 31, 2019	-	249.11
United States of America		
March 31, 2020	2,616.17	-
March 31, 2019	1,952.61	-
Total		
March 31, 2020	2,616.17	835.72
March 31, 2019	1,952.61	249.11

Non-current assets reported above excludes the deferred tax and financial assets

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

30 Related party transactions

A.	Details of related parties:	
	Description of relationship	Name of related parties
	Ultimate Parent Company	Reliance Industries Limited (With effect from December 24, 2018) Radisys Corporation USA (till December 23, 2018)
	Parent Company	Radisys International LLC, USA (till December 23, 2018) Reliance Industrial Investments and Holdings Limited (With effect from December 24, 2018 to March 30, 2020) JIO Platforms Limited (With effect from March 31, 2020)
	Fellow Subsidiary	Radisys UK Limited Radisys Corporation, USA (With effect from December 24, 2018) Radisys International LLC, USA (With effect from December 24, 2018)
	Key Management Personnel	Mr. Nitesh Varshney Mr. Harish Gilla [With effect from April 12, 2019] Mr. Anshuman Thakur [With effect from April 12, 2019]

B. Details of transactions during the year and balance outstanding as at the balance sheet date:

Particulars	Related Party	Year ended March 31, 2020	Year ended March 31, 2019
a) Transactions during the year:			
Income from software development services	Radisys Corporation, USA	2,597.03	1,925.04
Income from Pre sales and marketing	Radisys Corporation, USA	19.14	27.57
Other receivable	Radisys Corporation, USA	0.44	2.45
Key managerial remuneration*	Mr. Nitesh Varshney	20.30	26.25
Particulars	Related Party	As at March 31, 2020	As at March 31, 2019
a) Balance outstanding:			
Trade receivables	Radisys Corporation, USA	783.79	493.16
Other receivables	Radisys Corporation, USA	0.44	1.62

*Does not include provision for gratuity and compensated absences since these are provided for based on actuarial valuation for the employees of the Company as a whole and not for individual employees.

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
31	Earnings per equity share		
	Profit attributable to equity shareholders	214.30	205.71
	Weighted average number of equity shares (Nos.)	210,000	210,000
	Par value per equity share (Rs.)	10.00	10.00
	Earning per share - Basic and Diluted (Rs.)	1,020.48	979.57

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

	Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
		Statement of profit and loss	Other comprehensive income	Statement of profit and loss	Other comprehensive income
32A	Income Tax recognised:				
	Current Tax:				
	In respect of current year	76.10	-	105.80	-
	In respect of earlier years	(4.43)	-	11.56	-
	Deferred Tax:				
	In respect of current year	9.53	(3.70)	(12.05)	0.70
	Income tax expense	81.20	(3.70)	105.31	0.70

Movement in deferred tax balances:

32B	Particulars	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
	Year ended March 31, 2020				
	<u>Tax effect of items constituting deferred tax asset</u>				
	On difference between book balance and tax balance of property plant and equipment	19.80	(14.86)	-	4.94
	Disallowances under section 40A(7) of Income Tax Act, 1961	32.27	(0.64)	3.70	35.33
	Disallowances under section 43B of Income Tax Act, 1961	16.68	3.94	-	20.62
	Others	2.77	2.03	-	4.80
	Tax effect of items constituting deferred tax asset	71.52	(9.53)	3.70	65.69
	<u>Tax effect of items constituting deferred tax (liability)</u>	-	-	-	-
	Tax effect of items constituting deferred tax (liability)	-	-	-	-
	Net Deferred tax asset / (liability)	71.52	(9.53)	3.70	65.69
	Year ended March 31, 2019				
	<u>Tax effect of items constituting deferred tax asset</u>				
	On difference between book balance and tax balance of property plant and equipment	19.04	0.76	-	19.80
	Disallowances under section 40A(7) of Income Tax Act, 1961	28.20	4.77	(0.70)	32.27
	Disallowances under section 43B of Income Tax Act, 1961	11.17	5.51	-	16.68
	Others	1.76	1.01	-	2.77
	Tax effect of items constituting deferred tax asset	60.17	12.05	(0.70)	71.52
	<u>Tax effect of items constituting deferred tax (liability)</u>	-	-	-	-
	Others	-	-	-	-
	Tax effect of items constituting deferred tax (liability)	-	-	-	-
	Net Deferred tax asset/(liability)	60.17	12.05	(0.70)	71.52

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

32 C Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	295.50	311.02
Enacted income tax rate in India	25.17%	29.12%
Computed expected tax expense	74.37	90.57
Effect on account of current tax of earlier years	(4.43)	11.56
Effect on account of non-deductible expenses under income tax	0.66	0.44
Effect on account of changes in income tax rates	9.71	-
Others	0.89	2.74
Income tax expense recognised in the statement of profit and loss	81.20	105.31

The Government of India vide ordinance No 15 of 2019 dated September 20, 2019 amended the income tax provision by inserting section 115BAA. As per amended provisions, the Company has opted to pay tax at rate of 22% plus applicable surcharge and cess subject to the condition mentioned under the amendment provisions and recognised the effect of change by revising the annual effective income tax rate. Due to the reduced tax rate, the Company has re-measured its Net Deferred Tax Assets as at April 01, 2019 and the impact of this change has been fully recognized in the Statement of Profit and Loss under "Tax Expense".

33 Disclosures in respect of leases

The Company has primarily leased office buildings and vehicles. Refer Note 3.3 and Note 38 for the accounting policies and transition policies adopted by the Company respectively.

i) Changes in right-of-use assets and lease liabilities:

Refer note 5 and 13.1 for the movements in right-of-use assets and lease liabilities respectively.

ii) Maturity analysis: Contractual undiscounted cash flows

Particulars	As at March 31, 2020		
	Leasehold improvements	Vehicles	Total
Less than one year	89.65	1.13	90.78
One to five years	101.92	0.63	102.55
More than five years	-	-	-
Total	191.57	1.76	193.33

iii) Amount recognised in Statement of Profit and Loss

Particulars	For the year ended March 31, 2020
Depreciation on Right-of-use assets	77.21
Interest on lease liabilities	17.65
Short term lease payments (Refer note below)	13.26

The Company applies the short-term lease recognition exemption to its short-term leases of certain premises taken on lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

iv) Amount recognised in Consolidated Statement of Cash Flows

Particulars	For the year ended March 31, 2020
Cash outflows for leases	
interest portion of lease liabilities	(17.65)
principal portion of lease liabilities	(67.61)

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

34 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2020, March 31, 2019 is as follows:

Particulars	Carrying value		Fair value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets				
Amortised cost				
Loans (current and non-current)	48.27	47.04	48.27	47.04
Investments	77.62	-	77.62	-
Trade receivables	783.79	493.16	783.79	493.16
Cash and cash equivalents	275.71	589.95	275.71	589.95
Other financial assets	0.44	1.62	0.44	1.62
Total assets	1,185.83	1,131.77	1,185.83	1,131.77
Financial liabilities				
Amortised cost				
Lease liabilities (current and non-current)	173.89	-	173.89	-
Trade payables	221.78	45.98	221.78	45.98
Other financial liabilities	71.39	43.63	71.39	43.63
Total liabilities	467.06	89.61	467.06	89.61

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

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

35 Fair value hierarchy:

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

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

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

36 1 Financial risk management

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans (current and non-current), trade receivables, other receivables and cash and cash equivalents that derive directly from its operations.

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

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers:

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue from top customer	2,616.17	1,952.61
Revenue from top 5 customers	2,616.17	1,952.61

The Company has only one customer, being its Fellow subsidiary. As such 100% of its revenue for the year and entire receivables outstanding as at March 31, 2020 and March 31, 2019 are from that customer.

3 Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents	275.71	589.95
Investments in liquid mutual funds	77.62	-
Total	353.33	589.95

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities:

Particulars	As at			
		Less than 1 year	1-3 years	3 years and above
Lease liabilities				
	As at March 31, 2020	90.78	97.40	5.15
	As at March 31, 2019	-	-	-
Trade payables				
	As at March 31, 2020	221.78	-	-
	As at March 31, 2019	45.98	-	-
Other financial liabilities	As at March 31, 2020	71.39	-	-
	As at March 31, 2019	43.63	-	-

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

4 Foreign Currency risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses. A significant portion of the Company's revenues are in US Dollars, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates in relation to US Dollars, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and US Dollars has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's management meets on a periodic basis to formulate the strategy for foreign currency risk management. Consequently, the Company management believes that the payables in foreign currency and its assets in foreign currency shall mitigate the foreign currency risk mutually to some extent

The following table presents foreign currency risk from non-derivative financial instruments:

Particulars	Currency	As at March 31, 2020		As at March 31, 2019	
Assets					
Trade receivables	USD	\$10.40	₹ - 783.79	\$7.13	₹ 493.16
Other receivables	USD	\$0.01	₹ - 0.44	\$0.02	₹ 1.62
Cash and cash equivalents	USD	\$1.37	₹ 103.28	\$6.46	₹ 446.63
Liabilities					
Payables towards purchase of property plant and equipment	USD	(\$1.00)	₹ -75.23	\$0.01	₹ -0.84
Net assets/(liabilities)	USD	\$10.77	₹ 812.28	\$13.62	₹ 940.57

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency USD on account of outstanding trade receivables and trade payables in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A negative number below indicates a decrease in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Impact on profit after tax	30.39	33.39

For a 5% weakening of the INR against the relevant currency, there would be equivalent amount of impact on the profit as mentioned in the above table.

5 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is insignificant

6 Capital management

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

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

The capital structure is as follows:

Particulars	As at	
	March 31, 2020	March 31, 2019
Total equity attributable to the equity share holders of the company	1,386.57	1,183.26
As percentage of total capital	100%	100%
Current borrowings	-	-
Non-current borrowings	-	-
Total borrowings	-	-
As a percentage of total capital	0%	0%
Total capital (borrowings and equity)	1,386.57	1,183.26

The Company is predominantly equity financed which is evident from the capital structure table.

- 37 The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Average net profit of the Company for last three financial years	261.28	225.07
Prescribed CSR expenditure (2% of the average net profit as computed above)	5.23	4.50
Amount spent during the financial year:		
a) on construction/acquisition of any asset	-	-
b) on purpose other than (a) above	5.23	4.37

38 Adoption of new accounting standard

Effective April 1, 2019, the Company adopted new standard Ind AS 116 “Leases” which replaced the earlier standard on Leases Ind AS 17, and applied the new standard to all lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application with no impact on retained earnings. Accordingly, as on the date of transition, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate at the date of transition. The right-of-use asset is recorded at an amount equal to the lease liability, adjusted by the amount of rent equalisation reserve relating to that lease recognised in the Balance Sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the financial statements for year ended March 31, 2019. Further, due to transition, the nature of expenses in respect of operating leases has changed from “lease rent” to “depreciation and amortisation expense” and “finance cost” for the right-of-use assets and for interest accrued on lease liability respectively, and therefore these expenses for the current year are not comparable to the previous year disclosed.

The following is the summary of practical expedients elected by the Company on the initial application:

1. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
2. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
3. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
4. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application. The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9%.

On date of transition, the adoption of the new standard resulted in recognition of Right-of-Use asset of Rs. 230.32 and a lease liability of Rs. 239.82 and derecognition of rent equalisation reserve of Rs. 9.50 as at April 1, 2019.

Notes forming part of the Financial Statements

(Amount in Rs. Millions, except for share data or as otherwise stated)

Refer Note 33(iii) for impact on statement of profit and loss due to the adoption of this standard.

Ind AS 116 resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Reconciliation of operating lease commitments as at March 31, 2019 with the lease liabilities recognized in the Balance Sheet as at April 1, 2019

Particulars	Rs.
Operating lease commitment as at March 31, 2019 with the lease liabilities	96.80
Discounted using the incremental borrowing rate as of April 1, 2019	88.86
Exercise and termination options reasonably certain to be exercised	150.96
Lease liabilities recognised as at April 1, 2019	239.82

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

S Sundaresan
 Partner

Date:
 Place: Bangalore

For and on behalf of the Board of Directors

Nitesh Varshney
 Director
 DIN: 01494603

Date:
 Place: Bangalore

Anshuman Thakur
 Director
 DIN: 03279460

Date:
 Place: Mumbai

Harish Gilla
 Director
 DIN: 08418388

Date:
 Place: Mumbai