MAHESH, VIRENDER & SRIRAM
Chartered Accountants

6-3-788/36&37A, Ameerpet, Hyderabad - 500 016.

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Independent Auditors' Report

Independent Auditors' Report
To The Members of
Kellton Dbydx Software Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of Kellton Dbydx Software Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.
In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

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Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

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

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **'Annexure A'.** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with 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.

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ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, 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 Mahesh Virender & Sriram
Chartered Accountants
FRN: 001939S

(B R Mahesh)
Partner
M.No.18628

MAHESH VIRENDER & SRIRAM * CHARTERED ACCOUNTANTS Reg. No. 001939 S * HYDERABAD *

Place: Hyderabad
Date: 30/05/2019

MAHESH, VIRENDER & SRIRAM
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Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kellton Dbydx Software Private Limited 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 Kellton Dbydx Software Private Limited ('the Company') as of March 31, 2019 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 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 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

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financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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Opinion

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

For Mahesh Virender & Sriram
Chartered Accountants
FRN: 001939S

MAHESH VIRENDER & SRIRAM * CHARTERED ACCOUNTANTS Reg. No. 001939 S * HYDERABAD *

(B R Mahesh)
Partner
M.No.18628

Place: Hyderabad
Date: 30/05/2019

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Annexure B to the Independent Auditors' Report
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kellton Dbydx Software Private Limited of even date)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

i. In respect of the Company's fixed assets :
a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us, and based on the records examined by us, the Company does not hold any immovable properties, whether own or on lease.

ii. The Company is in the business of providing software services and has no physical inventories.

iii. According to the information and explanations given to us, the Company has granted unsecured loans to Holding/Parent Company covered in the register maintained under section 189 of the Companies Act, 2013 where the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

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vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under Clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues :

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

c. There were no dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute.

viii. According to the information and explanations given to us and based on the records of the company examined by us, the Company does not have any borrowings from Financial Institutions, Government or debenture holders during the year.

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 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. The Company is not a nidhi company and hence, reporting under Clause 3 (xii) of the Order is not applicable to the Company.

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xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements 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 paid convertible debentures and hence, reporting under Clause 3 (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 persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

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

For Mahesh Virender & Sriram
Chartered Accountants
FRN: 001939S

(B R Mahesh)
Partner
M.No.18628

MAHESH VIRENDER & SRIRAM * CHARTERED ACCOUNTANTS Reg. No. 001939 S * HYDERABAD *

Place: Hyderabad
Date: 30/05/2019

31-March-2019

1) Corporate Information

Kellton Dbydx Software Private Limited ("the Company") is domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is global company and offers services in digital transformation, ERP and other IT services. The company is wholly owned subsidiary of Kellton Tech Solutions Limited

2) Basis of preparation

a) The financial statements are prepared under the historical cost convention and in accordance with the applicable accounting standards issued by the institute of chartered accountants of India and requirements of the Companies Act 2013 and on a going concern concept other than Share based payment transactions and Defined benefit and other long-term employee benefits.

b) The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

c) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act,2013, ("the Act") and other relevant provisions of the Act.

3) Use of Estimates

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

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

a) Revenue recognition

The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made.

b) Income tax

The Company' tax jurisdictions are India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions

c) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

4) Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

b) Foreign currency transactions and balances

i) Initial Recognition
Foreign currency transactions are recorded at the rates prevailing date of transactions.

ii) Exchange Differences
Exchange differences arising on settlement of transaction and translation of monetary items are recognized as income or expense.

iii) Conversion
Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.
iv) Translational
Any exchange gain/loss consequent to translating financials statements from functional currency to presentation currency, the resultant exchange difference is recognized in OCI and part of foreign currency translation reserve until eventual disposal of investment.

c) Investments

Long term and unquoted current investments are stated at cost and quoted current investments at lower of cost or market value. Provision for diminution in value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

d) Financial instruments

Company does not has any financial instruments

e) Inventories

Inventories are valued at lower of the cost or net realizable value whichever is lower on weighted average basis.

f) Property, plant and equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to be put to use.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

g) Intangible Assets

The Intangible assets are recognized when it is probable that the future economic benefit that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

Software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less accumulated amortization and impairment.

Gains or losses arising from disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

Goodwill is subject to impairment testing on an annual basis. However, if indicators of impairment are present, the company will review goodwill for impairment when such indicators arise. The company performs an annual review and no impairment was recorded. Key assumptions used by management to determine the fair value of the goodwill include industry earnings multiples and earnings multiples from previous company acquisitions

h) Depreciation

Depreciation on fixed assets [Tangible and Intangible assets] is provided on Straight line method on pro –rata basis at the rates prescribed in schedule XIV of the Companies Act, 2013 as amended from time to time.

i) Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

Preliminary expenditure: To write off preliminary expenses in ten equal yearly installments.

j) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged in statement of profit and loss.

k) Leases

Assets acquired under finance leases are recognized at the lower of the fair value of the leased assets at inception or present value of minimum lease payment. Lease Payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charge is allocated to period during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

l) Revenue Recognition

i) Revenue from time and material engagements is recognized on time proportion basis as and when the services are rendered in accordance with the terms of the contracts with customers.

ii) In case of fixed price contracts, revenue is recognized based on the milestones achieved as specified in the contracts, on proportionate completion basis.

iii) Revenue from maintenance contracts and subscription is recognized on a pro-rata basis over the period of the contract.

iv) Unbilled revenue represents revenue recognized in relation to work done on time and material projects and fixed price projects until the balance sheet date for which billing has not taken place.

v) Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

m) Employee Benefits

The Company has the following employee benefit plans:

i) Provident fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

ii) Gratuity

The Company has a scheme for payment of gratuity to all its employees as per provisions of the Payment of Gratuity Act 1972. The Company provides for period end liability using the projected unit credit method as per the actuarial valuation carried out by the Independent actuary. The cost of providing benefit under gratuity plan are charged to the statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognized in full in the statement of other comprehensive income in the reporting period in which they occur.

iii) **Leave encashment.**

The company measures the expected cost of compensated absences as the additional amount that the company expects to pay as a result of

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the unused entitlement that has accumulated at the end of reporting period. The company recognizes accumulated compensated absences based on actuarial valuation actuarial valuation using the projected unit credit method. Non accumulating compensated absences are recognized in the period in which the absences occur.

n) Share based payments

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the statement of profit and loss with a corresponding increase to the share based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

o) Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income

i) Current Income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

ii) Deferred Income Tax

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying

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amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

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

p) Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

q) Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

r) Contingent Liabilities

Subject to IND AS 109, contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

s) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original, which are subject to an insignificant risk of changes in value.

t) Cash flow statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

u) Borrowing cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

v) Related parties Transactions:

Related party transactions including purchases, services, fund and non fund based agreements are disclosed separately.

KELLTON DBYDX SOFTWARE PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2019

	NOTE	As At Mar 31 '2019	As At Mar 31 '2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	22,79,267	30,63,724
Financial assets			
Investments		-	1,11,946
Deferred tax assets (net)		5,36,235	4,46,429
		28,15,502	**36,22,099**
Current assets			
Financial assets			
Trade receivables	6	2,36,06,774	2,77,38,360
Cash and cash equivalents	7	1,34,303	2,81,744
Other financial assets	8	-	52,145
Other current assets	9	5,09,62,268	1,20,40,558
		7,47,03,345	**4,01,12,807**
TOTAL ASSETS		**7,75,18,847**	**4,37,34,906**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	83,23,765	83,23,765
Other equity	11	5,41,64,321	2,19,65,472
		6,24,88,086	**3,02,89,237**
Liabilities			
Non-current liabilities			
Other financial liabilities	12	21,91,573	17,40,607
Provisions	13	11,95,730	15,34,474
		33,87,303	**32,75,081**
Current liabilities			
Financial liabilities			
Trade payables	14	2,23,661	3,27,481
Other current liabilities	15	8,89,189	7,05,731
Provisions	16	11,63,392	13,24,721
Current tax liabilities (Net)		93,67,216	78,12,656
		1,16,43,458	**1,01,70,588**
		1,50,30,761	**1,34,45,669**
TOTAL EQUITY AND LIABILITIES		**7,75,18,847**	**4,37,34,906**

The Accompanying notes form an intergral part of the financial statements
As per report of even date

For Mahesh Virender & Sriram
Firms' Registration Number: 001939S
Chartered Accountants

B R Mahesh
Partner
M No - 18628

MAHESH VIRENDER & SRIRAM * CHARTERED ACCOUNTANTS Reg. No. 001939 S * HYDERABAD *

For and on behalf of the Board of Directors

Niranjan Chintam
Director

Krishna Chintam
Director

Place : Hyderabad
Date : 30 May 2019

KELLTON DBYDX SOFTWARE PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH 2019

		For the year ended	
	Note	31-Mar-19	31-Mar-18
Revenue from operations	17	5,37,45,215.00	4,35,65,354
Other income	18	18,259.00	9,27,241
Total income		**5,37,63,474.00**	**4,44,92,594**
Expenses			
Employee benefits expense	19	98,22,184.00	1,41,91,282
Finance costs	20	42,479.00	2,98,462
Depreciation and amortization expense	21	7,84,456.00	17,21,045
Other expenses	22	53,52,670.00	20,17,792
Total expenses		**1,60,01,789.00**	**1,82,28,581**
Profit / (Loss) before Exceptional items and tax		**3,77,61,685.00**	**2,62,64,014**
Exceptional Items		-	-
Profit / (Loss) before tax		**3,77,61,685.00**	**2,62,64,014**
Tax expense:			
Current tax		1,01,00,000.00	84,37,204
Tax/(credit) in respect to earlier years		(44,03,619.00)	41,906
Deferred tax		(1,33,545.00)	(5,20,737)
Profit (Loss) for the period from continuing operations		3,21,98,849.00	1,83,05,641
Profit/(loss) for the period		**3,21,98,849.00**	**1,83,05,641**
Other comprehensive income			
A) (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities / (asset) (net of tax)		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income		-	-
Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		3,21,98,849.00	1,83,05,641
Earnings per equity share (for continuing operation):			
Basic	23	3.87	2.20
Diluted		3.87	2.20

The Accompanying notes form an intergral part of the financial statements
As per report of even date

For and on behalf of the Board of Directors

For Mahesh Virender & Sriram
Firms' Registration Number: 001939S
Chartered Accountants

MAHESH VIRENDER & SRIRAM * CHARTERED ACCOUNTANTS Reg. No. 001939 S * HYDERABAD *

B R Mahesh
Partner
M No - 18628

Niranjan Chintam
Director

Krishna Chintam
Director

Place : Hyderabad
Date : 30 May 2019

KELLTON DBYDX SOFTWARE PRIVATE LIMITED
STATEMENT OF CASH FLOW

	For the Year ended	
	March 31'2019	March 31'2018
Cash flow from Operating Activities		
Profit for the Period	3,77,61,685	2,62,64,014
Adjustments for :		
Depreciation and amortization expense	7,84,456	17,21,045
Expense on employee stock based compensation	4,50,966	10,79,619
Allowance for doubtful debt	5,41,780	-
Bad Debts	28,00,896	-
Finance costs	42,479	2,98,462
Miscellaneous expenses written back	2,97,510	-
Changes in operating assets and liabilities		
Trade receivables	7,88,910	(39,73,492)
Other assets	(3,91,67,075)	(1,18,02,210)
Trade payables	(1,03,820)	(5,00,296)
Other liabilities	(3,16,615)	(41,57,042)
Net cash provided by operating activities before taxes	**38,81,172**	**89,30,098**
Income taxes paid	40,98,082	(7,27,590)
Net cash provided by operating activities	(2,16,910)	96,57,688
Cash flow from investing activities		-
Change in Investment	1,11,946	-
Net cash (used in)or provided by investing activities	1,11,946	-
Cash flow from financing activities		
Finance costs paid	(42,479)	(2,98,462)
Change in loans and borrowings	-	(93,37,872)
Net cash used in financing activities	(42,479)	(96,36,334)
Net increase in cash and cash equivalents	(1,47,443)	21,354
Cash and cash equivalents at the beginning of the period	2,81,744	2,60,390
Cash and cash equivalents at the end of the period	1,34,301	2,81,744

The Accompanying notes form an intergral part of the financial statements
As per report of even date

For and on behalf of the Board of Directors

For Mahesh Virender & Sriram
Firms' Registration Number: 001939S
Chartered Accountants

B R Mahesh
Partner
M No - 18628

MAHESH VIRENDER & SRIRAM * CHARTERED ACCOUNTANTS Reg. No. 001939 S * HYDERABAD *

Niranjan Chintam
Director

Krishna Chintam
Director

Place : Hyderabad
Date : 30 May 2019

Kellton Dbydx Software Private Limited
Significant accounting policies and notes to the accounts
For the year ended March 31, 2019

Property, plant and equipment

Note 5

Particulars	Plant and machinery	Office equipment	Computers	Electrical installations	Furniture and fixtures	Vehicles	Total
Gross carrying value							
At April 1, 2018	11,350	17,97,875	98,93,429	68,475	7,51,678	30,10,752	1,55,33,559
Additions							-
Disposals / adjustments							-
At March 31, 2019	11,350	17,97,875	98,93,429	68,475	7,51,678	30,10,752	1,55,33,559
Accumulated depreciation							
At April 1, 2018	7,495	16,59,494	88,21,244	68,475	6,27,242	12,85,885	1,24,69,835
Depreciation expense	1,650	71,080	3,00,633		53,417	3,57,677	7,84,456
Disposals / adjustments							-
At March 31, 2019	9,144	17,30,574	91,21,876	68,475	6,80,660	16,43,563	1,32,54,291
Net block March 31, 2019	2,206	67,301	7,71,553	-	71,018	13,67,189	22,79,267
Net block March 31, 2018	3,855	1,38,381	10,72,185	-	1,24,436	17,24,867	30,63,724

MAHESH VIRENDER & SRIRAM
CHARTERED ACCOUNTANTS
Reg. No. 001939 S
HYDERABAD

Kellton Dbydx Software Private Limited
Significant accounting policies and notes to the accounts
For the year ended March 31, 2019

Trade receivables **Note 6**

Particulars	As at March 31'2019	As at March 31'2018
(Unsecured)		
Considered good	2,44,14,869	2,80,04,675
Less: Allowance for doubtful debts	8,08,095	2,66,315
Total	**2,36,06,774**	**2,77,38,360**

Cash and cash equivalents **Note 7**

Particulars	As at March 31'2019	As at March 31'2018
Cash on hand	75,999	76,000
Balances with banks in current accounts	58,305	2,05,745
Cash and cash equivalents as per balance sheet	**1,34,304**	**2,81,745**
Cash and cash equivalents as per statement of cash flow	**1,34,304**	**2,81,745**

Other current financial assets **Note 8**

Particulars	As at March 31'2019	As at March 31'2018
Advances to employees	-	52,145.00
Total	**-**	**52,145.00**

Other current assets **Note 9**

Particulars	As at March 31'2019	As at March 31'2018
Deposits	87,583	87,583
Others	5,08,74,685	1,19,52,975
Total	**5,09,62,268**	**1,20,40,558**

MAHESH VIRENDER & SRIRAM * CHARTERED ACCOUNTANTS Reg. No. 001939 S * HYDERABAD *

Kellton Dbydx Software Private Limited
Significant accounting policies and notes to the accounts
For the year ended March 31, 2019

Equity share capital **Note** **10**

a)

Particulars	As at March 31'2019	As at March 31'2018
Authorised		
83223765 (March 31, 2018: 83223765) equity shares of Rs 1/- each	83,23,765	83,23,765
Issued, subscribed and paid-up capital		
83223765 (March 31, 2018: 83223765) equity shares of Rs 1/- each	83,23,765	83,23,765
	83,23,765	83,23,765

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:

Particulars	As at March 31'2019		As at March 31'2018	
	No of Shares	Amount	No of Shares	Amount
Number of shares outstanding at the beginning of the period	83,23,765	83,23,765	83,23,765	83,23,765
Add: Shares issued	-	-	-	-
Number of shares outstanding at the end of the period	83,23,765	83,23,765	83,23,765	83,23,765

c) **Terms/rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs 1 each.Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) **Details of shareholders holding more than 5% shares in the Company**

Particulars	As at March 31'2019		As at March 31'2018	
	No of shares	% Holding	No of shares	% Holding
Name of the shareholder*				
1 Kellton Tech Solutions Limited	83,23,765	100	8323765	100

MAHESH VIRENDER & SRIRAM * CHARTERED ACCOUNTANTS Reg. No. 001939 S * HYDERABAD *

e) In the period of five years immediately preceding March 31, 2019:

i) The Company has not bought back any equity shares.
ii) The Company has not allotted any equity shares as fully paid up without payment being received in cash

Other equity

Note 11

Pariculars	As at March 31'2019	As at March 31'2018
Retained earnings		
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.	5,41,64,321	2,19,65,472
Total	**5,41,64,321**	**2,19,65,472**

MAHESH VIRENDER & SRIRAM
CHARTERED ACCOUNTANTS
Reg. No. 001939 S
HYDERABAD

Kellton Dbydx Software Private Limited
Significant accounting policies and notes to the accounts
For the year ended March 31, 2019

Non- current liabilities
Financial liabilities
Other non current financial liabilities **Note 12**

Particulars	As at March 31'2019	As at March 31'2018
Other *	21,91,573	17,40,607
Total	**21,91,573**	**17,40,607**

*ESOPS issued by holding company

Provisions : Other Long Term Provisions **Note 13**

Particulars	As at March 31'2019	As at March 31'2018
Gratuity	11,95,730	15,34,474
Total	**11,95,730**	**15,34,474**

MAHESH VIRENDER & SRIRAM
CHARTERED ACCOUNTANTS
Reg. No. 001939 S
HYDERABAD

Kellton Dbydx Software Private Limited
Significant accounting policies and notes to the accounts
For the year ended March 31, 2019

Current liabilities

Financial liabilities

Trade Payables **Note 14**

Particulars	As at March 31'2019	As at March 31'2018
Trade Payables for goods and services	2,23,661	3,27,481
Total	**2,23,661**	**3,27,481**

* Company has no information on amount due to Micro, Small and Medium Enterprises under Section 22 of Micro, Small & Medium Enterprises Development Act 2006(MSMED Act)

Other current liabilities **Note 15**

Particulars	As at March 31'2019	As at March 31'2018
Unearned income		
Statutory dues payable	8,65,120	6,42,243
Others**	24,069	63,488
Total other current liabilities	**8,89,189**	**7,05,731**

** Reimbursements payable

Provisions : Other Short Term Provisions **Note 16**

Particulars	As at March 31'2019	As at March 31'2018
Provisions for employees benefits	10,88,392	12,49,721
Audit fee payable	75,000	75,000
Total	**11,63,392**	**13,24,721**

MAHESH VIRENDER & SRIRAM * CHARTERED ACCOUNTANTS Reg. No. 001939 S * HYDERABAD *

Kellton Dbydx Software Private Limited
Significant accounting policies and notes to the accounts
For the year ended March 31, 2019

Revenue from operations **Note 17**

For the year ended

Particulars	March 31,2019	March 31,2018
Revenue from operations (net)		
Software Services	5,37,45,215	4,35,65,354
Total	**5,37,45,215**	**4,35,65,354**

Other income **Note 18**

For the year ended

Particulars	March 31,2019	March 31,2018
Foreign exchange gain/ (loss)	-	4,94,038
Miscellaneous Income	18,259	4,33,203
Total	**18,259**	**9,27,241**

Employee benefits expense **Note 19**

For the year ended

Particulars	March 31,2019	March 31,2018
Salaries and wages	92,36,021	1,23,42,386
Gratuity Expenses	-	5,18,629
Contribution to provident and other funds	79,812	1,00,663
Employee stock compensation expenses	4,50,966	10,79,619
Staff welfare expenses	55,385	1,49,985
Total	**98,22,184**	**1,41,91,282**

Kellton Dbydx Software Private Limited
Significant accounting policies and notes to the accounts
For the year ended March 31, 2019

Finance costs **Note 20**

For the year ended

Particulars	March 31,2019	March 31,2018
Interest expense	-	2,62,388
Other bank charges	42,479	36,074
Total	**42,479**	**2,98,462**

Depreciation and amortization expense **Note 21**

For the year ended

Particulars	March 31,2019	March 31,2018
On property, plant and equipment	7,84,456	9,73,915
On other intangible assets	-	7,47,130
Total	**7,84,456**	**17,21,045**

Other expenses **Note 22**

For the year ended

Particulars	March 31,2019	March 31,2018
Professional Fee	-	28,571
Travelling and Conveyance	34,839	51,508
Rates and taxes	2,500	2,500
Exchange fluctuations Loss	2,76,111	-
Provision for doubtful debts	5,41,780	2,66,315
Bad Debts	28,00,896	92,293
Other Miscellaneous expenses	16,21,544	15,01,605
Audit Fee		
(a) Statutory Audit Fee	50,000	50,000
(b) Taxation	25,000	25,000
Total	**53,52,670**	**20,17,792**

KELLTON DBYDX SOFTWARE PRIVATE LIMITED

31-March-2019

Notes to financial statement for the year ended 31-03-2019

23. Earnings per Share

Particulars	31-Mar-2019	31-Mar-2018
Numerator for EPS		
Net Profit after tax (A)	32,198,849	18,305,642
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)*	8,323,765	8,323,765
Weighted Average no. of Shares considered for Denominator for Diluted EPS (after effect of dilutive issues of stock options)(C)*	8,323,765	8,323,765
Basic and diluted Earnings Per Share (A)/(B)	3.87	2.20
Diluted Earnings Per Share (A)/(C)	3.87	2.20

24. Contingencies

i. All major events occurring after the date of financial statements, which impair the financials, are duly provided.

1. Contingent liabilities	31-03-2019	31-03-2018
[a] Claims against the company not acknowledged as debts	Nil	Nil
[b] Uncalled liability on shares partly paid	Nil	Nil
[c] Arrears of fixed cumulative dividend	Nil	Nil
[d] Estimated amount of contracts remaining to be paid on capital account not provided for	Nil	Nil
[e] Other money for which the company is contingently liable	Nil	Nil

2. Directors remuneration	31-03-2019	31-03-2018
[a] Paid during the year	Nil	Nil
Total	Nil	Nil
[b] Computation of net profit under section 309 [5] of the companies act, 1956	N A	N A

25. Related Party Transactions as per AS 18

Transactions with related parties in the ordinary course of business

	31-03-2019	31-03-2018
ICD taken during the year Kellton Tech Solutions Limited	50,866,754	Rs 11,827,619
Loan repayment during the year:- Kellton Tech Solutions Limited	Nil	Rs 9,179,581
Outstanding amount of Loan :- Kellton Tech Solutions Limited	Nil	Nil
Key Managerial Personnel	Nil	Nil

26. Segment Information

On standalone basis segmental revenue is 100% from Digital transformation Services.

27. Previous year figures have been regrouped wherever necessary conform to current year's classification.

For and on behalf of Board of Directors

Krishna Reddy Chintam — Managing Director

Niranjan Reddy Chintam — Director

Vide our report of even date
For Mahesh Virender & Sriram
Chartered Accountants
Registration Number – 001939S

B R Mahesh
Partner
Membership No - 18628

MAHESH VIRENDER & SRIRAM * CHARTERED ACCOUNTANTS Reg. No. 001939 S * HYDERABAD *

Place: Hyderabad
Date: 30-05-2019