

Independent Auditor's Report

To the Members of Tcube Software Solutions Private Limited (Formerly Data Cube Solutions Private Limited)

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of M/s Tcube Software Solutions Private Limited (Formerly Data Cube Solutions Private Limited) ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management 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 standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards

specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

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.

- a. 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

- b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account .
- c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" .Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the company internal financial controls over financial reporting.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For R.C.Pradhan & Co
Chartered Accountants
Firm Regn.No- 325584E

CA R.C.Pradhan
Partner

Membership No : 062336

Place: Bhubaneswar

Date: 19th June 2019



UDIN - 19062336AAAAAB8798

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS financial statements of the Company for the year ended March 31, 2019:

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

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

2) The Company does not hold any inventory and accordingly clause 3(ii) of the Order are not applicable.

3) 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. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) The Company has not taken any loan either from banks or financial institutions or from the government and has not issued any debentures.

- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: Bhubaneswar

Date: 19th June 2019



For R.C.Pradhan & Co
Chartered Accountants
FRN- 325584E

CA R.C.Pradhan
Partner

M. No : 062336

UDIN - 19062336AAAAAB8798

ANNEXURE B REFERRED TO IN OUR REPORT AS REQUIRED UNDER SECTION 143(3) (i) OF THE ACT ON THE AUDITED STANDLONE FINANCIAL STATEMENTS OF TCUBE SOFTWARE SOLUTIONS PVT.LTD(FORMERLY DATA CUBE SOLUTIONS PVT. LTD)

Report on the internal financial controls under the clause (i) of Sub- section 3 of section 143 of the companies act 2013.

We have audited the internal financial controls over financial reporting of T Cube Software Solutions Private Limited(Formerly Data Cube Solutions Private Limited) as at 31st March 2019 in conjunction with our audit of the audited standalone Ind As financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting and standards on auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the companies act, 2013, to the extent applicable to an audit of internal financial controls , both applicable to an audit of internal financial controls and, both issued by the Institute of chartered accountants of India. Those standards and guidance note require that we comply with ethical requirements and plan and perform the auditor 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 aspects.

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included

obtaining and understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risks material mis-statement of the financial statements, whether due to fraud and 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 Control 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 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 details, 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 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 company's asset that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitation 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, projection of any evaluation of the internal financial control over financial reporting to future periods are subject to 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 company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control 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 R.C.Pradhan & Co
Chartered Accountants
FRN- 325584E

A handwritten signature in blue ink, appearing to read "R.C. Pradhan".

CA R.C.Pradhan
Partner
M. No: 062336

UDIN - 19062336AAAAAB8798

Place: Bhubaneswar

Date: 19th June 2019

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Statement of Profit and Loss
for the period ended 31 March 2019

(Currency : INR)

	Note	31 March 2019	31 March 2018
Revenue from operations	20	252,446,937	231,466,832
Other income, net	21	882,782	364,533
Total Income		253,329,719	231,831,365
Expenses			
Employee benefits expense	22	184,708,890	161,848,163
Finance costs	23	-	9,748
Depreciation and amortization expenses	24	6,307,112	7,214,748
Other expenses	25	31,474,816	27,631,225
Total expenses		222,490,818	196,703,884
Profit before tax		30,838,901	35,127,481
Tax expense:	27		
Current tax		11,471,071	12,101,375
- in respect of earlier years		(775,001)	(636,925)
Deferred tax credit		(2,638,810)	(3,015,885)
earlier period Deferred tax credit		-	-
Profit for the year		22,781,641	26,678,916
Other comprehensive income	26		
A (i) Items that will not be reclassified subsequently to Statement of profit or loss			
Remeasurements of the defined benefit plans (net)		2,789,898	(233,984)
Total comprehensive income / (loss), net of tax		2,789,898	(233,984)
Total comprehensive income for the period		25,571,539	26,444,932
Earnings per equity share			
Nominal value of share Rs. 10 (31 March 2018: Rs. 10)			
Basic and diluted		911	1,067
Number of shares		25,000	25,000

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For R.C.Pradhan & Co.
Chartered Accountants
Firm's Registration No: 325584E

For and on behalf of the Board of Directors of
TCube Software Solutions Pvt. Ltd.


CA R.C.Pradhan
Partner
Membership No: 062336
UDIN - 19062336AABAB8798
Place : Bhubaneswar
Date : 19th June 2019




Sujit Sircar
Director


Srinivasa Rao Kandula
Director
DIN - 07412426

Place : Bengaluru
Date : 14th June 2019

Place : Bengaluru
Date : 14th June 2019



TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

CASH FLOW STATEMENT

for the period ended 31 March 2019

(Currency : INR)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	30,838,901	35,127,481
Adjustments for:		
Depreciation expense	6,307,112	7,214,748
Profit on sale of fixed assets	600,171	-
Unrealised foreign exchange	-	28,092
Interest income	-	-
Operating profit before working capital changes	37,746,184	42,370,321
Changes in working capital:		
Increase/(decrease) in trade payables	3,433,653	(339,139)
Increase in other financial liabilities	1,483,467	1,541,163
Increase (decrease) in other current liabilities	1,978,113	(2,591,263)
Increase in current provisions	1,953,651	1,093,742
Increase in non current provisions	5,923,740	4,098,008
Increase in other non-current liabilities	334,281	896,587
Increase in trade receivables	(24,672,618)	(21,676,805)
Increase in other financial assets	(2,408,617)	(1,827,063)
Increase in other non current financial assets	(487,914)	(2,024,997)
Increase in other current assets	(1,541,859)	(7,713,382)
Decrease in other non-current assets	100,603	6,264,305
Cash generated from operations	23,842,684	20,091,477
Taxes paid (net of refunds)	(10,803,721)	(14,015,691)
Net cash generated from operating activities	13,038,963	6,075,786
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,645,702)	(12,666,087)
Net cash used in investing activities	(1,645,702)	(12,666,087)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Gratuity adjustment passed through retained earnings	-	(3,105,924)
Net cash used in financing activities	-	(3,105,924)
Net increase/(decrease) in cash and cash equivalents	11,393,261	(9,696,225)
Cash and Cash equivalents at the beginning of the year	6,420,446	16,116,671
Effect of exchange differences on balances with banks in foreign currency	-	-
Cash and Cash equivalents at the end of the year	17,813,707	6,420,446
Cash and cash equivalents comprise of:		
Cash on hand	-	-
Balances with Banks	17,813,707	6,420,446
	17,813,707	6,420,446

This is the Cash Flow Statement referred to in audit report of even date

For R.C.Pradhan & Co.
Chartered Accountants
Firm's Registration No: 325584E


CA R.C.Pradhan

Partner
Membership No: 062336

UDIN - 19062336 AAAAAB 8798
Place : Bhubaneswar
Date : 19th June 2019



For and on behalf of the Board of Directors of
TCube Software Solutions Pvt. Ltd.


Sujit Sircar
Director

Place : Bengaluru
Date : 14th June 2019


Srinivasa Rao Kandula
Director
DIN - 07412426

Place : Bengaluru
Date : 14th June 2019



TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Statement of Changes in Equity (SOCIE)

for the period ended 31 March 2019

(Currency : INR)

(a) Equity share capital

Equity share at the beginning	250,000
Increase in share capital on account of issue of equity shares	-
Equity share capital balance at the end	250,000

(b) Other equity

Particulars	Attributable to the equity holders of the parent			Total Other equity
	Reserves and Surplus			
		Retained earnings	Remeasurements of the defined benefit plans	
Balance at 31 March 2018	-	65,876,204	(233,984)	65,642,220
Profit for the year	-	22,781,641	-	22,781,641
Other comprehensive income for the year	-	-	2,789,898	2,789,898
Total comprehensive income for the year	-	22,781,641	2,789,898	25,571,539
Balance at 31 March 2019	-	88,657,845	2,555,914	91,213,759

(b) Other equity (continued)

Particulars	Attributable to the equity holders of the parent			Total Other equity
	Reserves and Surplus			
		Retained earnings	Remeasurements of the defined benefit plans	
Balance at 1 April 2017	-	41,979,043	-	41,979,043
Gratuity net of taxes	-	-	-	-
Profit for the year	-	26,678,916	-	26,678,916
Other comprehensive income for the year	-	(2,781,755)	(233,984)	(3,015,739)
Total comprehensive income for the year	-	23,897,161	(233,984)	23,663,177
Balance at 31 March 2018	-	65,876,204	(233,984)	65,642,220

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For R.C.Pradhan & Co.
Chartered Accountants
Firm's Registration No: 325584E



CA R.C.Pradhan
Partner
Membership No: 062336


UDIN - 19062336AAAAB8798
Place : Bhubaneswar
Date : 19th June 2019



For and on behalf of the Board of Directors of
TCube Software Solutions Pvt. Ltd.


Sujit Sircar
Director

Place : Bengaluru
Date : 14th June 2019


Srinivasa Rao Kandula
Director
DIN - 07412426

Place : Bengaluru
Date : 14th June 2019



TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements
for the period ended 31 March 2019

(Currency - INR)

1 Corporate overview

TCube Software Solutions Private Limited (formerly Data Cube Solutions Private Limited) ('the company'). The Company has setup offshore research and development centre in India, which primarily provides various Software development, and other services and services incidental thereto, to it's onsite clients.

On 25th October 2017, Capgemini Technology Services India Limited (CTSIL) (formerly known as IGATE Global Solutions Limited) acquired 24,998 shares of TCube Software Solutions Pvt Ltd, a Company engaged in providing IT and ITES.

2 Significant accounting policies

a) Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with the 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 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b) Functional currency and presentation currency

These financial statements are prepared in Indian Rupees (INR) which is also the Company's functional currency.

c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include estimates of contract costs to be incurred to complete software development project, provision for taxes, employee benefit plans, provision for doubtful debts and advances and estimated useful life of property, plant and equipment. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

Allowance for Trade receivable

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency: INR)

2 Significant accounting policies (Continued)

c) Use of estimates (Continued)

Useful life of Property, Plant and Equipment

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

Impairment of Non-financial assets

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Provisions and Contingent Liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

d) Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle,
- b. it is held primarily for the purpose of being traded,
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents, generally twelve month is considered as operating cycle.

e) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, including import duties and other non-refundable taxes or levies and directly attributable costs of bringing the asset to its working condition for the intended use and estimated costs of dismantling the assets at the site at which it is located. Trade discounts and rebates, if any, are deducted while computing the cost.

Property, plant and equipment acquired wholly or partly with specific grant / subsidy from government are recorded at the fair value as on the agreement date.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from 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 when the asset is disposed.

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency INR)

2 Significant accounting policies (Continued)

f) Capital work in Progress:

The cost of property, plant and equipment not ready for use before the balance sheet date is disclosed as capital work-in-progress. Advances paid towards the acquisition of property, plant and equipment outstanding as at balance sheet date is disclosed under Other non-current assets

g) Depreciation on property, plant and equipment

The Company has provided for depreciation using straight line method over the useful life of the assets as estimated by management Pursuant to a change in business strategy and macro-economic, the Company had revised its estimate of useful life for fixed assets with effect from 1 January 2016 other than assets acquired by the Company pursuant to amalgamation The revised useful lives are applicable for assets capitalised on or after 1 January 2016

Gross block	Assets capitalized
Leasehold Land	Over the lease period
Buildings	30 years
Leasehold Improvements	Lower of lease period or primary lease period
Computers	3-5 years
Furniture and fixtures	7 years
Office equipment	7 years

h) Intangible assets

Acquired intangible assets

Intangible assets acquired separately are initially recognized at cost Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over the estimated useful economic life and are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss

Computer software held for use in business purpose is amortized over an estimated useful life of 3 - 5 years or the period of licenses, whichever is lower.

i) Leases

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Payments made under operating leases are generally recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency : INR)

2 Significant accounting policies (Continued)

j) Impairment of Property, plant and equipment

Property, plant and equipment which are not yet available for use are tested for impairment annually. Other Property, plant and equipment (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangibles mandatorily tested annually for impairment, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill is allocated to CGUs only when the allocation can be done on a reasonable and consistent basis. If this requirement is not met for a specific CGU under review, the smallest CGU to which the carrying amount of goodwill can be allocated on a reasonable and consistent basis is identified and the impairment testing carried out at that level.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognized in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is recognised in the revaluation reserve.

k) Revenue recognition

The Company primarily derives revenue from rendering IT, IT related services and business process outsourcing services. The Company recognises revenue when the significant terms of the engagement are enforceable, services have been delivered and the collectability is reasonably assured. Reimbursements of out of pocket expenses received from customers have been included as a component of revenues. The method of recognising revenue depends on the nature of services rendered.

(i) Time and material contracts

Revenues from time and material contracts is recognized as the related services are rendered.

(ii) Fixed price contracts

Revenue from fixed-price development contracts is recognized using the percentage of completion method, under which the contract performance is determined by relating the actual costs incurred to date to the estimated total costs for each contract. The cost incurred (or input) method is used to measure progress as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to eliminate the total contract revenue and costs, revenue is recognised only to the extent contract costs incurred, for which recoverability is probable. Any anticipated losses expected upon contract completion are recognized immediately.

(iii) Unbilled revenue and Billing in advance

Unbilled revenue represents cost and earnings in excess of billings as at the end of the reporting period. Billing in advance represents billings in excess of revenue recognised. Advance payments received from customers for which no services have been rendered are disclosed as 'Advances from customers'.

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency : INR)

2 Significant accounting policies (Continued)

k) Revenue recognition (Continued)

(iv) Others

Revenue from contracts with amounts to be billed on monthly basis is recognized as the related services are rendered. Revenue from transaction-priced contracts is recognized on rendering of the services as per the terms of the contracts.

Revenue from services rendered to the holding company, ultimate holding company and fellow subsidiaries is recognised on a cost plus mark-up basis determined on arm's length principle as and when the related services are rendered.

Revenue from maintenance contracts is recognised relatively over the period of the contract using the percentage of completion (output) method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognised on a straight line basis over the specified period unless some other method better represents the stage of completion.

The Company estimates and accounts for volume discounts and other pricing incentives to the customers by reducing the revenue recognised at the time of sale.

Recognition of dividend income, interest income or expense

Dividend income is recognised in the Statement of Profit and Loss on the date on which the Company's right to receive payment is established. Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

l) Foreign currency transactions and balances

i) Initial recognition

The Company is exposed to foreign currency transactions including foreign currency revenues, receivables, expenses, payables and borrowings. Foreign exchange transactions during the year are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss for the year.

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency INR)

2 Significant accounting policies (Continued)

1) Foreign currency transactions and balances (Continued)

ii) Translation

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the Statement of Profit and Loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI); and
- qualifying cash flow hedges to the extent that the hedges are effective

m) Employee benefits

i) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Accumulated leave, which is expected to be utilised within the next twelve months, is also treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. These amounts are charged to the Statement of Profit and Loss.

ii) Post-employment benefits

(i) Defined contribution plan

Provident fund

Employee benefits in respect of Provident fund except as stated below, is a defined contribution plan.

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

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency - INR)

2 Significant accounting policies (Continued)

m) Employee benefits (Continued)

ii) Post-employment benefits (Continued)

(ii) Defined benefit plan(Continued)

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Such net obligation is recognized either as an asset or as a liability in the balance sheet. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method.

The present value of the obligation under such benefit plan is determined based on an actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured using the projected unit credit method. The discounted rates used for determining the present value are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized in other comprehensive income, net of taxes, for the period in which they occur. All expenses related to defined benefit plan is recognised in employee benefits expense in the Statement of Profit and Loss. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring cost or termination benefits. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The obligation in respect of compensated absences is provided on the basis of an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan is based on the market yields as at the balance sheet date on Government securities, having maturity periods approximating to the terms of the related obligations. Actuarial gains and losses are recognized in other comprehensive income, net of taxes, for the period in which they occur. To the extent the Company does not have an unconditional right to defer the utilization or encashment of the accumulated compensated absences, the liability determined based on actuarial valuation is considered to be a current liability.

n) Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, amalgamations, bonus element in a rights issue, buyback, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity shares considered to derive the basic EPS, and also the weighted average number of equity shares that could have been issued on conversion of all the dilutive potential equity shares which are deemed converted at the beginning of reporting period, unless issued at a later date.

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency : INR)

2 Significant accounting policies (Continued)

o) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Onerous Contracts

A contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the 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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

q) Cash flow statement

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

r) Financial instruments

i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment,
- FVOCI – equity investment; or
- FVTPL.

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

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

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

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

r) Financial instruments (Continued)

ii) Classification and subsequent measurement (Continued)

Financial assets (Continued)

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

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the Statement of Profit and Loss

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss

iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Statement of Profit and Loss

iv) Offsetting

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

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

r) Financial instruments (Continued)

s) Impairment

i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held), or
- the financial asset is 90 days or more past due

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet -

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets

For debt securities at FVOCI, the loss allowance is charged to the Statement of Profit and Loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

ii) Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. For impairment testing, assets that do not generate independent cash inflows are combined together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or Company's of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or Company of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i) Recent accounting developments

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from 1 April 2019.

Ind AS - 116

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 16, effective annual reporting period beginning 1 April 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. Or that date, the Company will recognise a lease liability measured at the present value of the

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from 1 April 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization charge for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified an operating lease if the head lease is classified as a short term lease. In all other cases the sublease shall be classified as a finance lease.

On preliminary assessment, for leases other than short-term leases and leases of low value assets, the Company will recognise a right-of-use asset of Rs 10,431,837 and a corresponding lease liability of Rs 11,405,853 with the cumulative effect of applying the standard by adjusting retained earnings net of taxes. There will be consequent reclassification in the cash flow categories in the statement of cash flows.

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)

as at 31 March 2019

Note 3 : Property, plant & equipment
(Currency : INR)

	Leaschold land	Buildings	Computers	Office equipments	Furniture and fixtures	Total As At 31 March 2019
<i>Grass block</i>						
As at 1 April 2017	2,070,597	1,244,650	11,304,377	1,324,054	5,994,351	21,938,029
Additions during the Year	-	-	8,449,403	3,866,686	-	12,316,089
Deletions during the Year	-	-	-	-	-	-
As at 31 March 2018	2,070,597	1,244,650	19,753,780	5,190,740	5,994,351	34,254,118
<i>Grass block</i>						
As at 1 April 2018	2,070,597	1,244,650	19,753,780	5,190,740	5,994,351	34,254,118
Additions during the Year	-	-	913,064	-	-	913,064
Deletions during the Year	-	-	-	-	-	-
As at 31 March 2019	2,070,597	1,244,650	20,666,844	5,190,740	5,994,351	35,167,182
<i>Accumulated depreciation</i>						
As at 1 April 2017	-	-	(12,479,557)	(403,924)	(2,192,037)	(15,075,518)
Regrouping of Acc Dep Based on CG FA Category	-	(406,130)	6,934,631	(40,118)	867,912	7,356,295
Additions during the Year	-	(51,860)	(4,622,737)	(350,166)	(1,177,107)	(6,201,871)
Deletions during the Year	-	-	-	-	-	-
As at 31 Mar 2018	-	(457,990)	(10,167,663)	(794,208)	(2,501,232)	(13,921,094)
<i>Accumulated depreciation</i>						
As at 1 April 2018	-	(457,990)	(10,167,663)	(794,208)	(2,501,232)	(13,921,094)
Regrouping of Acc Dep Based on CG FA Category	-	-	-	-	-	-
Charge for the year	-	(124,465)	(4,128,295)	(650,435)	(599,435)	(5,502,630)
Deletions during the Year	-	-	-	-	-	-
As at 31 March 2019	-	(582,455)	(14,295,958)	(1,444,643)	(3,100,667)	(19,423,724)
Net Block As at 31 March 2019	2,070,597	662,195	6,370,885	3,746,096	2,893,684	15,743,458
Net Block As at 31 March 2018	2,070,597	786,660	9,586,116	4,396,531	3,493,119	20,333,023

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements

as at 31 March 2019

Note 4: Capital work-in-progress

	Total As At 31 March 2019
At 1 April 2017	-
Additions	-
Capitalization	-
At 31 March 2018	-
Additions	1,645,701
Capitalization	(913,064)
At 31 March 2019	732,637

Note 5 : Intangible assets

	Computer Software	Total As At 31 March 2019
<i>Gross block</i>		
As at 1 April 2017	8,879,376	8,879,376
As at 31 March 2018	9,229,376	9,229,376
As at 31 March 2018	9,229,376	9,229,376
<i>Gross block</i>		
As at 1 April 2018	9,229,376	9,229,376
Additions pursuant to merger of T Cube	-	-
Additions during the Year	-	-
Deletions during the Year	-	-
As at 31 March 2019	9,229,376	9,229,376
<i>Accumulated depreciation</i>		
As at 1 April 2017	-	-
Additions during the Year	(7,356,295)	(7,356,295)
Deletions during the Year	(1,012,878)	(1,012,878)
As at 31 March 2018	(8,369,173)	(8,369,173)
<i>Accumulated depreciation</i>		
As at 1 April 2018	(8,369,173)	(8,369,173)
Additions pursuant to merger of T Cube	-	-
Additions during the Year	(804,482)	(804,482)
Deletions during the Year	-	-
As at 31 March 2019	(9,173,655)	(9,173,655)
Net Block As at 31 March 2019	55,721	55,721
Net Block As at 31 March 2018	860,203	860,203

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
as at 31 March 2019

(Currency : INR)

	31 March 2019	31 March 2018
6 Other financial assets		
Non-current		
Unsecured, considered good		
Security deposits	2,628,221	2,140,307
	<u>2,628,221</u>	<u>2,140,307</u>
7 Deferred tax assets (net)		
Deferred tax liabilities		
Property, plant and equipment and intangible assets	-	-
	<u>-</u>	<u>-</u>
Deferred tax assets		
Property, plant and equipment and intangible assets	718,840	554,780
Provisions - employee benefits	3,279,595	1,880,146
	<u>3,998,435</u>	<u>2,434,926</u>
Net deferred tax asset (refer note 27)	<u>3,998,435</u>	<u>2,434,926</u>
8 Other non-current assets		
Prepaid expenses	343,180	443,783
	<u>343,180</u>	<u>443,783</u>
9 Trade receivables (unsecured)		
Trade receivables consists of the following		
Secured		
Unsecured		
- Considered good	56,737,177	32,664,730
- Considered doubtful	-	-
Other receivables	-	-
Less: Allowance for doubtful receivables	-	-
	<u>56,737,177</u>	<u>32,664,730</u>
In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.		
Trade receivables includes :		
Dues from related party (refer note 31)	56,737,177	32,664,730
Other Receivables	-	-

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
as at 31 March 2019

(Currency : INR)

	31 March 2019	31 March 2018
10 Cash and cash equivalents		
Balance with banks		
In current accounts	17,813,707	6,420,446
	<u>17,813,707</u>	<u>6,420,446</u>
11 Other financial assets		
Current		
Unsecured, considered good		
Security deposits	2,304,073	1,827,063
Others	1,931,607	-
Unsecured, considered doubtful		
Security deposits	-	-
- Less: Provision for doubtful deposits	-	-
	<u>4,235,680</u>	<u>1,827,063</u>
12 Other current assets		
Prepaid Expenses	-	1,954,281
Balances with Government Authorities (VAT / Cenvat / Service tax credit receivable)	9,050,713	4,861,483
Advance to vendors	238	49,741
Gratuity assets	-	643,587
	<u>9,050,951</u>	<u>7,509,092</u>

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
as at 31 March 2019

(Currency : INR)

	31 March 2019	31 March 2018
13 Share capital		
Authorised:		
1,00,000 Equity shares of Rs 10 Par value (31 March 2018: 1,000,000)	1,000,000	1,000,000
Issued, subscribed and fully paid up:		
25,000 Equity Shares of Rs, 10 Par value (31 March 2018 : 25,000)	250,000	250,000
	<u>250,000</u>	<u>250,000</u>

a. Reconciliation of shares outstanding at the beginning and at the end of the year:

	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	25,000	250,000	25,000	250,000
Add Issued during the year	-	-	-	-
Less Bought back during the year	-	-	-	-
Balance as at the end of the year	<u>25,000</u>	<u>250,000</u>	<u>25,000</u>	<u>250,000</u>

Shares held by holding / ultimate holding company and its subsidiary

Out of total shares issued by the Company, shares held by the holding company, ultimate holding company and their subsidiaries are as below:

	31 March 2019		31 March 2018	
	Number of shares	%	Number of shares	%
Equity shares of Rs. 10 each, fully paid-up, held by				
Capgemini Technology Services India Limited	24,998	99.992	24,998	99.992
Srinivas Rao Kandula	2	0.008	2	0.008
Balance as at the end of the year	<u>25,000</u>	<u>100</u>	<u>25,000</u>	<u>100</u>

14 Provisions
Non-current

Compensated absences	5,695,510	4,099,114
Gratuity	462,145	-
	<u>6,157,655</u>	<u>4,099,114</u>

15 Other non-current liabilities

Lease Equalization Rent	1,230,869	896,588
	<u>1,230,869</u>	<u>896,588</u>

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
as at 31 March 2019

(Currency - INR)

	31 March 2019	31 March 2018
16 Trade and other payables		
Due to micro and small enterprises	-	-
Due to other than micro and small enterprises	3,938,956	505,303
	<u>3,938,956</u>	<u>505,303</u>
17 Other financial liabilities		
Current		
Bonus and incentives	2,583,577	1,241,216
Employee benefits payable	556,215	415,109
	<u>3,139,792</u>	<u>1,656,325</u>
18 Other current liabilities		
Lease Equalization Rent	398,358	61,155
Statutory dues payables*	4,336,332	2,693,422
	<u>4,734,690</u>	<u>2,756,577</u>
*Statutory dues payable comprises of -		
Payable to STPI & IDCO	356,282	132,625
Service tax payable	-	(616,231)
Tax Deducted at Source payable	2,851,754	1,870,449
Provident Fund payable	1,089,521	1,200,632
Profession Tax payable	38,775	104,050
Employees State Insurance payable	-	3,897
	<u>4,336,332</u>	<u>2,693,422</u>
19 Provisions		
Current		
Provision for employee benefits		
Compensated absences	3,047,393	1,093,742
	<u>3,047,393</u>	<u>1,093,742</u>

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency INR)

	31 March 2019	31 March 2018
20 Revenue from operations		
Revenue from software operations	252,446,937	231,466,832
	<u>252,446,937</u>	<u>231,466,832</u>
Disaggregate revenue information		
The table below presents disaggregated revenues from contracts with customers by contract type and geography		
Revenue by contract type :		
Time & Material contracts	252,446,937	231,466,832
Fixed price contracts	-	-
Fixed price maintenance contracts	-	-
Total	<u>252,446,937</u>	<u>231,466,832</u>
Revenue by geography:		
America	250,221,155	231,466,832
Europe	2,225,782	-
India	-	-
Rest of the world	-	-
Total	<u>252,446,937</u>	<u>231,466,832</u>
Reconciliation of revenue recognized with the contracted price is as follows :		
Contracted price	252,446,937	231,466,832
Discounts	-	-
Revenue recognised	<u>252,446,937</u>	<u>231,466,832</u>
21 Other Income, net		
Interest on deposits with banks	-	28,092
Net Gain On Foreign Currency Transactions	600,171	-
Other non-operating income	282,611	336,441
	<u>882,782</u>	<u>364,533</u>
22 Employee benefit expense		
Salaries, bonus and incentives	170,066,522	147,766,111
Contribution to provident and other funds	7,210,658	7,882,132
Retirement benefits expense	2,513,947	399,209
Compensated absences	4,297,420	5,257,966
Staff welfare expenses	620,343	542,745
	<u>184,708,890</u>	<u>161,848,163</u>
23 Finance Costs		
Interest on borrowings	-	9,748
	<u>-</u>	<u>9,748</u>
24 Depreciation and amortization expenses		
Amortization of intangible assets	5,502,630	6,201,870
Amortization of intangible assets	804,482	1,012,878
	<u>6,307,112</u>	<u>7,214,748</u>

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency - INR)

	31 March 2019	31 March 2018
25 Other expenses		
Repairs and maintenance		
- Buildings	1,564,403	885,318
- Computer and network maintenance	26,944	1,632,773
- Office maintenance	2,568,943	1,904,498
- Others	455,090	10,554
Rent	13,431,117	12,510,674
Rates and taxes	439,657	-
Insurance	7,431	469,482
Power and fuel	2,966,640	1,905,481
Software and hardware expenses	10,000	-
Communication	932,619	1,426,247
Travelling and conveyance	6,731,790	3,683,165
Legal and professional charges	1,418,598	973,880
Bank charges	73,355	30,099
Auditors' remuneration (refer note 33)	100,000	200,000
Stationery and printing expenses	171,520	168,563
Training and recruitment	35,250	151,765
Miscellaneous expenses	541,459	1,678,726
	31,474,816	27,631,225
26 Statement of other comprehensive income		
(i) Items that will not be reclassified subsequently to statement of profit or loss		
Remeasurement gain on defined benefit plans	3,865,199	(324,171)
(ii) Income tax relating to items that will not be reclassified subsequently to statement of profit or loss	(1,075,301)	90,187
Total comprehensive income, net of tax	2,789,898	(233,984)

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency - INR)

27 Tax expense

(a) Income tax expense recognised in Statement of Profit and Loss:

	31 March 2019	31 March 2018
1. Current income tax	10,696,070	11,464,450
2. Deferred income tax		
Deferred tax charge / (credit)	(2,638,810)	(3,015,885)
	<u>(2,638,810)</u>	<u>(3,015,885)</u>
Tax expense for the year	8,057,260	8,448,565

	31 March 2019	31 March 2018
(Loss) Profit before tax	30,838,901	35,127,481
Tax using the Company's domestic tax rate (Current year 26.5525% and Previous Year 33.063%)	8,579,382	9,678,324
Tax effect of:		
Tax effect due to income tax holidays	-	-
Effect of change in tax rates	-	(22,546)
Income taxes relating to prior years *	(775,001)	(636,747)
Others	252,879	(570,466)
Total income tax expense	8,057,260	8,448,565
	26.13%	24%

*Includes tax on account of change in estimate

The Company's consolidated weighted average tax rates for the years ended 31 March 2019 and 2018 were 26% and 24%, respectively. Tax expense was Rs. 8.8 million for the year ended 31 March 2019, as compared to income tax expense of Rs. 8.4 million for the year ended 31 March 2018.

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency : INR)

27 Tax expense (Continued)

(c) Income tax assets and liabilities

	31 March 2019	31 March 2018
Income tax assets (net)*	2,628,806	3,061,057
Income tax liabilities (net)	254,859	794,761
	<u>2,373,947</u>	<u>2,266,296</u>

(d) Movement in deferred tax balances

	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Acquired in business combinations	Net balance 31 March 2019	Deferred tax liability
Deferred tax asset						
Property, plant and equipment and intangible assets	554,780	164,060	-	-	718,840	
Provisions - employee benefits	1,880,145	2,474,751	(1,075,301)	-	3,279,595	
Deferred tax asset (net)	2,434,925	2,638,811	(1,075,301)	-	3,998,435	

	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Acquired in business combinations	Net balance 31 March 2018	Deferred tax liability
Deferred tax asset						
Property, plant and equipment and intangible asset	(671,146)	1,225,926	-	-	554,780	
Provisions - employee benefits	-	1,789,959	90,187	-	1,880,146	
Others	-	-	-	-	-	
	(671,146)	3,015,885	90,187	-	2,434,926	

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The company has no tax losses which arose in India as of 31 March 2019 (31 March 2018: INR NIL) that are available for offsetting in the future years against future taxable profits.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Tax losses carried forward

	31 March	Expiry date	31 March 2018	Expiry date
Expire	-	-	-	-
Never Expire	-	-	-	-

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : INR in million)

28 Operating lease: Company as lessee

The Company has taken on operating lease office premises, guest houses and vehicles. The lease arrangements for premises and guest houses have been entered up to a maximum of 10 years from the date of inception. Some of these arrangements have price escalation clauses generally ranging from 5% to 20%. These leases are generally further renewable by mutual agreement. There are no restrictions imposed by these lease arrangements.

	31 March 2019	31 March 2018
Contractual payments under non-cancellable operating leases are as follows:		
i) Lease payments (including service charges) recognised in the Statement of Profit and Loss	13,431,117	12,510,674
ii) Total Future minimum lease payments under the non - cancellable operating leases :		
Not later than one year	15,431,474	10,260,147
Later than one year but not later than five years	46,946,568	51,451,562
Later than five years	10,333,940	21,260,420
	72,711,982	82,972,129

29 Earnings per share (EPS)

Basic/Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

The following table reflects the profit and share data used to compute basic and diluted EPS:

(A) Profit attributable to equity shareholders	22,781,641	26,678,916
(B) Weighted average number of equity shares in calculating basic/diluted EPS (nos.)	25,000	25,000
Basic/Diluted earning per share of face value of Rs.10/- each	911	1,067

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency : INR)

30 Employee benefit plans

(a) *Gratuity benefits*

The Company operates a post employment benefit plan that provides for gratuity benefit to eligible employees. The gratuity plan entitles an employee, who has rendered at least five years of continuous services, to receive one-half month's salary for each year of completed service at the time of retirement / exit

The following table summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the position of assets and obligations relating to the plan.

	31 March 2019	31 March 2018
Amount to be recognised in balance sheet		
Present Value of Funded Obligations	9,916,775	7,821,153
Fair Value of Plan Assets	(9,454,630)	(6,007,756)
Funded amount	-	(2,456,984)
Net Liability/(assets)	462,145	(643,587)
Amounts in the Balance Sheet:		
Liabilities	-	(643,587)
Current assets	462,145	-
Non-current	-	-
Net Liability/(assets)	462,145	(643,587)
Present Value of Defined Benefit Obligation		
Projected benefit obligation at the beginning of the year	7,821,153	4,208,859
Current Service Cost	2,414,786	2,238,379
Past Service cost	-	716,509
Interest Cost	572,328	303,880
Actuarial Losses / (Gain)	(891,492)	353,526
Liabilities Assumed on Acquisition / (Distributed on Divestiture)	-	-
Benefits Paid	-	-
Projected benefit obligation at the end of the year	A 9,916,775	7,821,153
Fair Value of Plan Asset		
Fair Value of plan assets at beginning of the year	6,007,756	5,575,826
Expected Return on Plan Assets	473,167	402,575
Actuarial Gains / (Losses)	2,973,707	29,355
Contributions by the Company	-	-
Assets Acquired on Acquisition / (Distributed on Divestiture)	-	-
Benefits Paid	-	-
Fair Value of plan assets at end of the year	B 9,454,630	6,007,756
(A-B)	462,145	1,813,397
Opening amount recognised in OCI outside Profit & Loss A/c:-	324,171	-
Remeasurement loss (gain).	-	-
Actuarial loss (gain) arising from:		
Demographic assumptions	(427,445)	-
Financial assumptions	353,736	(232,952)
Experience adjustment	(817,783)	586,478
Return on plan assets excluding interest income	(2,973,707)	(29,355)
	(3,541,028)	324,171
Expense to be Recognised in Statement of Profit and Loss:		
Current Service Cost	2,414,786	2,238,379
Past service cost	-	716,509
Interest on Defined Benefit Obligation	99,161	(98,695)
Expected Return on Plan Assets	-	-
Net Actuarial Losses / (Gains) Recognised in the Year	-	-
Total included in "Employee benefit expenses" (Refer note 22)	2,513,947	2,856,193

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency - INR)

	31 March 2019	31 March 2018
30 Employee benefit plans (Continued)		
Return on plan assets		
Expected return on plan assets	-	-
Actuarial gain	2,973,707	29,355
Actual return on plan assets	2,973,707	29,355
Category of Assets	%	%
Insurer Managed Funds	100%	100%
Others	0%	0%
Major Assumptions		
Discount rate	7.05%	7.55%
Salary Escalation Rate	7.00%	7.00%
Expected benefit payments are as follows:		
Year Ending March 31		
2020	1,033,960	481,296
2021	1,351,005	620,896
2022	1,333,687	620,380
2023	1,146,062	868,376
2024	1,000,258	841,396
thereafter	13,056,249	14,490,235

The weighted average duration to the payment of these cash flows is 7.37 years.

The Company provides the gratuity benefit through annual contributions to a fund managed by a trust. Under this plan, the settlement obligation remains with the Company, although the trust administers the plan and determines the contribution required to be paid by the Company. The trust has invested the plan assets in the Insurer managed funds. The expected rate of return on plan assets is based on the expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligation.

Category of Assets	%	%
HDFC	100%	100%

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

Salary escalation rate	7.00%	7.00%
Discount rate	7.55%	7.55%
Number of employees	164	194

The estimates of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the long term yield on government bonds. Assumptions regarding future mortality are based on published statistics and mortality tables.

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency INR)

30 Employee benefit plans (Continued)

(b) *Compensated Absences:*

Compensated Absences as at the balance sheet date, determined on the basis of actuarial valuation based on the "projected unit credit method" is as below -

	31 March 2019	31 March 2018
Current provisions (refer note 19)	3,047,393	1,093,742
Non-current provisions (refer note 14)	5,695,510	4,099,114
	<u>8,742,903</u>	<u>5,192,856</u>

Actuarial Assumptions

Discount rate	7.05%	7.55%
Salary escalation rate	7.0%	7.0%
Attrition rates		
Age (years)		
21-25	13.5%	18.5%
26-30	28.8%	28.9%
31-35	21.2%	20.7%
36-40	12.1%	14.0%
41-59	9.6%	10.1%

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019
(Currency : INR)

31 Related party disclosures

Related Party Disclosures in accordance with Ind AS 24 - "Related Party Disclosures" are given below:

Names of related parties and related party relationship

Related parties where control exists

Ultimate Holding Company

Capgemini SE

Holding companies

Capgemini Technology Services India Limited, holds 24,998 equity shares of Rs. 10 each fully paid-up (From 25 October 2017)

Teube Inc, subsidiary of ultimate holding company, holds 24,999 equity shares (till 25 October 2017)

Fellow subsidiaries

Capgemini America Inc (FS)

Capgemini UK Plc.(FS)

Key Managerial Personnel:

Srinivasarao Kandula

Mukund Srinath - (till 29 January 2019)

Sujit Sircar (w.e.f from 29 January 2019)

Related party transactions

	31 March 2019	31 March 2018
a) Revenues from operations		
Capgemini America Inc (FS)	250,221,155	231,466,832
Capgemini UK Plc.(FS)	2,225,782	-
b) Expense incurred by the Company on behalf of		
Capgemini Technology Services India Limited	10,799	-
c) Rent expenses		
Capgemini Technology Services India Limited	90,000	-
Balances outstanding	31 March 2019	31 March 2018
a) Trade receivables		
Capgemini America Inc (FS)	54,511,395	32,664,730
Capgemini UK Plc (FS)	2,225,782	-
b) Other Receivables		
Capgemini Technology Services India Limited	1,931,607	-

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019
(Currency : INR)

32 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The fair values of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation state.

The Company classifies its inputs used to measure fair value into the following hierarchy :

Level 1 : Unadjusted quoted prices in active market for identical assets or liabilities

Level 2 : Inputs other than quoted prices that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Unobservable inputs for assets and liabilities that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

31 March 2019	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	
Financial assets								
Cash and cash equivalents	-	-	17,813,707	17,813,707	-	-	-	-
Trade and other receivables	-	-	56,737,177	56,737,177	-	-	-	-
Other non-current financial asset	-	-	2,628,221	2,628,221	-	-	-	-
Other current financial asset	-	-	4,235,680	4,235,680	-	-	-	-
	-	-	81,414,785	81,414,785	-	-	-	-
Financial liabilities								
Trade and other payables	-	-	3,938,956	3,938,956	-	-	-	-
Other current financial liabilities	-	-	3,139,792	3,139,792	-	-	-	-
	-	-	7,078,748	7,078,748	-	-	-	-

31 March 2018	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	
Financial assets								
Cash and cash equivalents	-	-	6,420,446	6,420,446	-	-	-	-
Trade and other receivables	-	-	32,664,730	32,664,730	-	-	-	-
Other non-current financial asset	-	-	2,140,307	2,140,307	-	-	-	-
Other current financial asset	-	-	1,827,063	1,827,063	-	-	-	-
	-	-	43,052,546	43,052,546	-	-	-	-
Financial liabilities								
Trade and other payables	-	-	505,303	505,303	-	-	-	-
Other current financial liabilities	-	-	1,656,325	1,656,325	-	-	-	-
	-	-	2,161,628	2,161,628	-	-	-	-

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)

for the period ended 31 March 2019

(Currency - INR)

32 Financial instruments – Fair values and risk management (Continued)

A. Accounting classification and fair values (Continued)

(1) Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) amounting to Rs. 15,766,513 and Rs.12,654,097 as of 31 March 2019 and 31 March 2018 respectively, are not included

(2) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) amounting to Rs. 15,170,607 and Rs. 8,846,021 as of 31 March 2019 and 31 March 2018 respectively, are not included

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring fair values:

Financial instruments measured at fair value

Type	Valuation technique
Foreign exchange forward contracts	The Company's derivative financial instruments consist of foreign exchange forward contracts. Fair value of derivative financial instruments are based on prices as provided by the banks and are classified as Level 2. Inputs include current market-based parameters such as forward rates, yield curves and credit default swap pricing.
Investments	The Company's investments consist primarily of investment in debt linked mutual funds. Fair value of debt linked mutual funds are based on prices as stated by the issuers of mutual funds and are classified as Level 1 or 2 after considering whether the fair value is readily determinable.

During the reporting years ended 31 March 2019 and 31 March 2018, there have been no transfers of financial instruments between Level 1 or Level 2 or Level 3 fair value measurements.

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)

for the period ended 31 March 2019

(Currency - INR)

32 Financial instruments – Fair values and risk management (Continued)

C. Financial risk management

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

- Credit risk ;
- Liquidity risk , and
- Market risk

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company periodically assesses the financial reliability of its customers, taking into account the financial conditions, current economic trends and analysis of historic bad debts and ageing of accounts receivable. Financial assets are written off when there is no reasonable expectation of recovery from the customer

The Company has trade receivables primarily from intercompanies for which it does not foresee any credit risk.

Others

Credit risk of the Company on cash and cash equivalents and investments is subject to low credit risk since the investments of the Company are only in liquid debt securities with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counter parties to foreign currency forward contracts are typically multinational and domestic banks with appropriate market reputation.

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency : INR)

32 Financial instruments – Fair values and risk management (Continued)

C. Financial risk management (Continued)

ii. Liquidity risk

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

Exposure to liquidity risk

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

31 March 2019	Contractual cash flows		
	Carrying amount	Within one year	One year but not more than five years
Non current financial liabilities	-	-	-
Current financial liabilities	3,139,792	3,139,792	-
Trade and other payables	3,938,956	3,938,956	-

31 March 2018	Contractual cash flows		
	Carrying amount	Within one year	One year but not more than five years
Non current financial liabilities	-	-	-
Current financial liabilities	1,656,325	1,656,325	-
Trade and other payables	505,303	505,303	-

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency - INR)

32 Financial instruments – Fair values and risk management (Continued)

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and market value of its investments. The exposure to market risk is a function of investing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 is as below:

Foreign currency exposures as on 31 March 2019

Particulars	INR	USD	GBP
Trade receivables	-	54,511,395	2,225,782
Cash and cash equivalents	-	-	-
Trade and other payables	-	-	-

Foreign currency exposures as on 31 March 2018

Particulars	INR	USD	GBP
Trade receivables	-	32,664,730	-
Cash and cash equivalents	-	-	-
Trade and other payables	-	-	-

TCube Software Solutions Pvt. Ltd. (Formerly Data Cube Solutions Pvt. Ltd.)

Notes to financial statements (Continued)
for the period ended 31 March 2019

(Currency : INR)

33 Auditors' remuneration

	31 March 2019	31 March 2018
Statutory/ Tax audit & Other services	100,000	200,000
	<u>100,000</u>	<u>200,000</u>

34 Previous year comparatives

Previous year's figures have been regrouped or reclassified as detailed below to confirm to current year's presentation.


Account head transferred from	Account head transferred to	Amount
Security Deposit - Non current	Security Deposit - current	1,827,063
Security Deposit - Non current	Prepaid expenses - Non current	443,783
Lease Equalization Rent - Current	Lease Equalization Rent - non current	896,588
Salaries, bonus and incentives	Staff welfare expenses	409,197
Staff welfare expenses	Contribution to provident and other fu	220,262
Rates and taxes	Rent	865,536
Rates and taxes	Power and fuel	1,176,994
Bank charges	Office maintenance	505,705


Signatures to Note 1 to 34 form an integral part of the financial statements.


As per our report of even date attached.


For R.C.Pradhan & Co.
Chartered Accountants

For and on behalf of the Board of Directors of
TCube Software Solutions Pvt. Ltd.


CA R.C.Pradhan
Partner
Membership No: 062336
UDIN - 19062336AAAAAB8798
Place : Bhubaneswar
Date : 19th June 2019




Sujit Sircar
Director
Place : Bengaluru
Date : 14th June 2019


Srinivasa Rao Kandula
Director
DIN: 07412426
Place : Bengaluru
Date : 14th June 2019

