S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Affle (India) Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Affle (India) Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group, as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to note 40.1 (ii) to the financial statements, which indicate that business combination under common control has been accounted for using purchase method in accordance with previous GAAP resulting in the recognition of goodwill amounting to Rs. 59.24 Mn as on March 31, 2019 as prescribed under court scheme instead of using pooling interest method as prescribed under Ind AS 103 Business Combinations as the approved court scheme will prevail over applicable accounting standard.

Our opinion is not qualified in respect of this matter.

Other Information

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

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Director's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 consolidated Ind AS financial statements.

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

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

such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter

We did not audit the financial statements and other financial information, in respect of 2 subsidiaries, whose Ind AS financial statements include total assets of 883.70 Mn as at March 31, 2019, and total revenues of 1,416.08 Mn and net cash inflows Rs 111.53 Mn for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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 of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures and joint operations in its consolidated Ind AS financial statements - Refer note 31 to the consolidated Ind AS financial statements;

ii. The Group did not have material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended March 31, 2019.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

per Yogesh Midha
Partner
Membership Number: 94941
Place of Signature: Gurugram
Date: June 29, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AFFLE (INDIA) LIMITED

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

In conjunction with our audit of the consolidated financial statements of Affle (India) Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Affle (India) Limited (hereinafter referred to as the "Holding Company").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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, the Holding Company, , have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2019, based on the internal control over financial reporting criteria established by the Holding 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 **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Yogesh Midha**
Partner
Membership Number: 94941
Place of Signature: Gurugram
Date: June 29, 2019

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Consolidated Balance Sheet as at March 31, 2019

Particulars	Notes	As at March 31, 2019	As at March 31, 2018 (Unaudited)
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	7.49	4.49
(b) Goodwill	4	325.29	59.24
(c) Other intangible assets	4	240.20	210.91
(d) Intangible assets under development	4	17.95	-
(e) Financial Assets			
(i) Investments	5	0.26	0.26
(ii) Loans	6	0.80	5.83
(f) Deferred tax asset (net)	8	-	4.94
(g) Other non-current assets	9	-	0.05
Total Non-current assets		**591.99**	**285.72**
II. Current assets			
(a) Contract asset	19	131.87	79.13
(b) Financial Assets			
(i) Trade receivables	10	478.83	166.11
(ii) Cash and cash equivalent	11	206.08	146.36
(iii) Other bank balance other than (ii) above	11	98.83	42.83
(iv) Loans	6	10.77	2.15
(v) Other financial assets	7	29.03	0.16
(c) Current tax asset (net)	12	11.58	26.09
(d) Other current assets	9	23.68	12.24
Total Current assets		**990.67**	**475.07**
Total Assets (I + II)		**1,582.66**	**760.79**
EQUITY AND LIABILITIES			
III. EQUITY			
(a) Equity share capital	13	242.88	242.88
(b) Other equity		481.17	61.77
		724.05	**304.65**
LIABILITIES			
IV. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	69.17	-
(b) Long-term Provisions	14	15.37	11.42
(c) Deferred tax liabilities (net)	8	2.68	-
Total Non-current liabilities		**87.22**	**11.42**
V. Current liabilities			
(a) Contract liabilities	19	6.79	3.42
(b) Financial Liabilities			
(i) Borrowings	15	20.75	-
(ii) Trade payables	16		
- dues of micro and small enterprises		-	-
- others		517.11	270.30
(iii) Other financial liabilities	17	198.75	151.85
(c) Short-term Provisions	14	3.48	1.07
(d) Other current liabilities	18	24.51	18.08
Total Current liabilities		**771.39**	**444.72**
Total Equity and Liabilities (III + IV + V)		**1,582.66**	**760.79**

Summary of significant accounting policies 2

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No 101049W/E300004

per Yogesh Midha
Partner
Membership No. 94941
Place Gurugram
Date June 29, 2019

For and on behalf of the Board of Directors of Affle (India) Limited
CIN No. U65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN 01363666]
Place Gurugram
Date June 29, 2019

Anuj Kumar
Director
[DIN 01400273]
Place Gurugram
Date June 29, 2019

Kapil Mohan Bhutani
Director, Chief Financial & Operations Officer
[DIN 00554760]
Place Gurugram
Date June 29, 2019

Parmita Choudhury
Company Secretary
Membership No 26261
Place Gurugram
Date June 29, 2019

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

	Particulars	Notes	For the period ended March 31, 2019	For the period ended March 31, 2018 (Unaudited)
I	**REVENUE**			
	Revenue from contracts with customers	19	2,493.96	1,672.46
	Other income	20	3.95	4.94
	Total revenue (I)		**2,497.91**	**1,677.40**
II	**EXPENSES**			
	Inventory and data costs	21	1,341.13	858.14
	Employee benefits expense	22	212.27	174.02
	Finance costs	23	8.11	11.99
	Depreciation and amortization expense	24	100.95	82.70
	Other expenses	25	237.45	185.36
	Total expenses (II)		**1,899.91**	**1,312.21**
III	**Profit before tax (I-II)**		**598.00**	**365.19**
IV	**Tax expense:**	8		
	Current tax		102.12	85.44
	Deferred tax		7.67	1.45
	Total tax expense (IV)		**109.79**	**86.89**
V	**Profit for the year (III-IV)**		**488.21**	**278.30**
VI	**Other Comprehensive Income**			
	Items that will be reclassified to profit or loss in subsequent period			
	Exchange differences on translation of foreign operations		(3.11)	(2.11)
			(3.11)	**(2.11)**
	Items that will not be reclassified to profit or loss in subsequent period			
	Re-measurement losses on defined benefit plans	26	(0.25)	(0.12)
	Income tax effect		0.07	0.04
			(0.18)	**(0.08)**
	Other Comprehensive Income / (loss) net of tax		**(3.29)**	**(2.19)**
VII	**Total Comprehensive Income for the year attributable to the equity holders of the parent**		**484.92**	**276.11**
VIII	Earnings per equity share			
	(1) Basic	27	20.10	11.46
	(2) Diluted	27	20.10	11.46

Summary of significant accounting policies 2

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No. 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: Gurugram
Date: June 29, 2019

S.R. BATLIBOI & ASSOCIATES LLP

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. U65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Gurugram
Date: June 29, 2019

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: June 29, 2019

AFFLE (INDIA) LIMITED

Kapil Mohan Bhutani
Director, Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: June 29, 2019

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: Gurugram
Date: June 29, 2019

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Consolidated Statement of Cash Flows for the year ended March 31, 2019

	Particulars	For the year ended March 31, 2019	March 31, 2018 (Unaudited)
A	**Cash Flow from Operating Activities**		
	Profit Before Tax	598.00	365.19
	Adjustments to reconcile Profit Before Tax to net cash flow :		
	Depreciation and amortization expense	100.95	82.70
	Allowance for impairment of trade receivables and contract asset	10.56	14.12
	Employee share based payment expense	(5.58)	3.69
	Loss on Property, plant and equipment and intangible assets (net)	-	0.06
	Interest income	(3.75)	(3.12)
	Interest expense	6.12	10.24
	Unrealised foreign currency restatement adjustment	(3.11)	(2.11)
	Advances given written off	0.08	3.26
	Operating profit before working capital changes	**703.27**	**474.03**
	Working capital adjustments :		
	(Increase)/decrease in contract asset	(51.26)	(41.68)
	(Increase)/decrease in trade receivables	(323.28)	(44.93)
	(Increase)/decrease in financial assets	(31.49)	(1.35)
	(Increase)/decrease in other assets	(11.47)	12.49
	Increase/(decrease) in contract liability	3.37	(2.86)
	Increase/(decrease) in trade payables	245.89	111.14
	Increase/(decrease) in other financial liabilities	17.88	(24.91)
	Increase/(decrease) in other liabilities	6.43	5.46
	Increase/(decrease) in provisions	6.11	1.90
	Net cash generated from operations	**565.45**	**489.29**
	Income tax paid (net of refunds)	(87.59)	(70.56)
	Net cash flow generated from operating activities (A)	**477.86**	**418.73**
B	**Cash Flow from Investing Activities:**		
	Purchase of property, plant & equipment, intangible assets including capital work in progress	(151.10)	(91.78)
	Investment made for the acquisition of businesses	(238.11)	-
	Profit adjustment on account of business combination (Refer Note 40)	(59.94)	(184.41)
	Proceeds from sale of property, plant and equipment and intangible assets	0.02	0.04
	Purchase of non-current investments	-	(0.06)
	Investments in bank deposits (having original maturity of more than three months)	(55.59)	(13.25)
	Interest received on bank deposits	2.78	3.04
	Net cash flow used in investing activities (B)	**(501.94)**	**(286.42)**
C	**Cash Flow from Financing Activities:**		
	Interest paid	(6.12)	(10.24)
	Proceeds from borrowings	89.92	(33.60)
	Net cash flow generated from / (used in) financing activities (C)	**83.80**	**(43.84)**
	Net change in cash and cash equivalent (A+B+C)	59.72	88.47
	Cash and cash equivalent as at the beginning of year	146.36	57.89
	Cash and cash equivalent as at the end of year	**206.08**	**146.36**
	Components of cash and cash equivalent:		
	Balance with banks		
	- On current account	205.99	125.99
	Deposits with original maturity of less than three months	-	20.00
	Cash in hand	0.09	0.37
	Total cash and cash equivalent (Refer Note 11)	**206.08**	**146.36**

ASSOCIATES LLP

AFFLE (INDIA) LIMITED

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Consolidated Statement of Cash Flows for the year ended March 31, 2019

The reconciliation between the opening and the closing balances in the balance sheet for liabilities arising from financing activities is as follows

For the year ended March 31, 2019

Particulars	March 31, 2018	Cash flow	Other non-cash adjustments	March 31, 2019
Short-term borrowings	-	20.75	-	20.75
Long-term borrowings	-	69.17	-	69.17
Total liabilities from financing activities	-	**89.92**	-	**89.92**

For the year ended March 31, 2018

Particulars	March 31, 2017	Cash flows	Other non-cash adjustments	March 31, 2018
Short-term borrowings	28.34	(28.34)	-	-
Long-term borrowings	42.09	(42.83)	0.74	-
Total liabilities from financing activities	**70.43**	**(71.17)**	**0.74**	-

Summary of significant accounting policies 2

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: Gurugram
Date: June 29, 2019

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. U65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Offi
[DIN: 01363666]
Place: Gurugram
Date: June 29, 2019

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
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[DIN: 00554760]
Place: Gurugram
Date: June 29, 2019

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: Gurugram
Date: June 29, 2019

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Affle (India) Limited (formerly known as "Affle (India) Private Limited")
(Amount in INR million, unless otherwise stated)

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

(a) Equity Share Capital

Particulars	Number of shares	Amount (INR)
Balance as at April 1, 2017 (Unaudited)	**2,42,88,314**	**242.88**
Issued during the year	-	-
Balance as at March 31, 2018 (Unaudited)	**2,42,88,314**	**242.88**
Balance as at April 1, 2018 (Unaudited)	**2,42,88,314**	**242.88**
Issued during the year	-	-
Balance as at March 31, 2019	**2,42,88,314**	**242.88**

(b) Other Equity

Particulars	Retained earnings	Capital reserve	Foreign currency translation reserve	Capital contribution from Parent-Employee Share Based Payment (Refer Note 38)	Total Other Equity
As at April 01, 2017 (Unaudited)	**(74.64)**	**25.71**	**10.82**	**5.07**	**(33.04)**
Profit for the year	278.30	-	-	-	278.30
Other comprehensive income (Refer Note 26)	(0.08)	-	(2.11)	-	(2.19)
Less: Profit adjustment on account of business combination (Refer Note 40.1)	(184.41)	-	-	-	(184.41)
	93.81	-	**(2.11)**	-	**91.70**
Share based payments	-	-	-	3.11	3.11
As at March 31, 2018 (Unaudited)	**19.17**	**25.71**	**8.71**	**8.18**	**61.77**
As at April 01, 2018 (Unaudited)	**19.17**	**25.71**	**8.71**	**8.18**	**61.77**
Profit for the year	488.21	-	-	-	488.21
Other comprehensive income (Refer Note 26)	(0.18)	-	(3.11)	-	(3.29)
Less: Profit adjustment on account of business combination (Refer Note 40.1)	(59.94)	-	-	-	(59.94)
	428.09	-	**(3.11)**	-	**424.98**
Share based payments	-	-	-	(5.58)	(5.58)
Transferred to retained earnings	2.60	-	-	(2.60)	-
As at March 31, 2019	**449.86**	**25.71**	**5.60**	-	**481.17**

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: Gurugram
Date: June 29, 2019

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. U65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Gurugram
Date: June 29, 2019

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: June 29, 2019

Kapil Mohan Bhutani
Director, Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: June 29, 2019

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: Gurugram
Date: June 29, 2019

1. CORPORATE INFORMATION

The consolidated financial statements comprise of financial statements of Affle (India) Limited ("the Company") and its subsidiaries (collectively, the Group) for the period ended March 31, 2019. The Company is a limited company, domiciled in India, incorporated under the provisions of the Companies Act, 1956, and is a subsidiary of Affle Holdings Pte. Ltd. The Company was incorporated on 18 August 1994.

The Group is engaged in providing mobile advertisement services through information technology and software development services for mobiles. The registered office of the Group is situated at 312, B-Wing, Kanakia Wallstreet, Andheri Kurla Road, Andheri (East), Mumbai 400 093. The principal place of business is in Haryana, India.

The consolidated financial statements were authorized for issue in accordance with the resolution of directors on June 29, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

The consolidated financial statements of the Group have been prepared and presented in accordance with the Ind AS 34 *Interim Financial Reporting* notified under the section 133 of the Companies Act 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

The consolidated financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value as required under relevant Ind AS.

The consolidated financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest millions upto two decimals, except when otherwise stated. Amounts less than INR 1 million has been shown as "0".

ii) Basis of consolidation

The consolidated financial statements comprise the consolidated financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted by the Company for like transactions and events in similar circumstances, appropriate adjustments are made to that

Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., the year ended on March 31, 2019.

Consolidation procedure:

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

List of entities consolidated

The list of entities consolidated by the Group, which are included in the consolidated financial statements are as under:

S.No.	Entity	Percentage of ownership interest as at	
		March 31, 2019	March 31, 2018
1	Affle International Pte. Ltd.	100%	-
2	PT Affle Indonesia*	100%	-

* Affle International Pte. Ltd. owns the shares in PT Affle Indonesia.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

iii) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

a) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

b) Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

c) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

d) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS.

Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

iv) Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party both before and after the business combination, and that control is not transitory.

The Company accounts for its business combination under common control using pooling of interest method of accounting as per Appendix C of Ind AS 103. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the definition for recognition are recognized at their carrying amount at the acquisition date. Transferor's reserves are preserved and are appeared in the financial statements of the transferee in the same form in which they appear in the financial statements of the transferor. Acquisition date is the beginning of the preceding period in case the common control is established prior to such date. However, if business combination had occurred after such date, the acquisition date is considered only from that date.

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the year in which it is incurred.

v) Current versus non-current classification

The Company presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

vi) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and other directly attributable cost incurred in bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent costs are capitalized on the carrying amount or recognized as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss on the date of disposal or retirement.

vii) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a pro-rata basis from the date on which the asset is ready to use, using written down value method ("WDV") over the useful lives of the assets estimated by the management, which are in line with the useful lives prescribed under Schedule II to the Companies Act, 2013.

The Company has used the following rates to provide depreciation on its property, plant and equipment:

Asset Category	Useful lives estimated by management
Computers	3 years
Office equipments	5 years

Furniture and fixtures	10 years
Motor vehicles	8 years

The residual value of these assets has been considered at 5% of original cost to the Group.

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.

viii) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight-line basis over the period of expected future benefit from the related project. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of amortization periods applied to the Group's intangible assets is as below:

Asset Category	Useful lives estimated by management
Computer software	5 years
Mobile application	4 years

ix) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

x) Leases

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

Group as a lessee

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

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

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

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

xi) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, 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 or cash-generating unit'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.

xii) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income ("FVTOCI")
- Debt instruments, derivatives and equity instruments at fair value through profit or loss ("FVTPL")
- Equity instruments measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most applicable to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss (P&L). Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value. All changes in fair value including dividend are recognized in the statement of profit and loss.

Derecognition

A financial asset is de-recognized only when

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. For the financial assets measured as at amortized cost, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include borrowings, trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 15.

De-recognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

xiii) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management or its expert verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

xiv) Revenue from contracts with customers

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria discussed below must also be met before revenue is recognized:

Consumer platform

Revenue from rendering of advertisement services is recognized on accrual basis as and when services are rendered based on the terms of the contract. The Group collects taxes on behalf of governments and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue. In respect of consumer platform, the revenue is recognised over the period of time based on the activity of mobile users viewing the advertisements delivered by the Company.

Enterprise platform

Revenue from software development comprises income from time & material and fixed price contracts. Revenue with respect to time & material contracts is recognized when the related services are performed. Revenue from fixed price contracts is recognized in accordance with the proportionate completion method which is determined by reference to the milestone achieved as per the terms of the contract. The Group collects taxes on behalf of governments and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue. In respect of enterprise platform, the revenue is recognised over the period of time based on the projects completed by the Company.

Contract balances

- **Contract assets** - A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

- **Trade receivables** - A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in clause xi) Financial instruments – initial recognition and subsequent measurement.

- **Contract liabilities**- A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Interest

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

xv) Foreign currencies

The Group's consolidated financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. Each entity of the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

xvi) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expenditure in the statement of profit and loss, when an employee renders the related service.

The Group operates an unfunded defined benefit gratuity plan for its employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end, using the projected unit credit method and charged to statement of profit and loss. Remeasurements, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

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

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

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

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group 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.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

xvii) Taxes

Income tax expense comprises current and deferred tax.

Current tax

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

Current income tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognized for all taxable timing differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Moreover, deferred tax is recognized on temporary differences arising on investments in branches unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax

Minimum Alternate Tax ("MAT") credit is recognized as deferred asset only when it is probable that taxable profit will be available against which the credit can be utilized. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss account. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is no longer probable that the Group will pay normal income tax during the specified period.

xviii) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

xix) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

xx) 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 Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements.

xxi) Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest because service conditions have not been met.

xxii) Earnings per share

Basic earnings per share ("EPS") are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity holders of the Group (after adjusting the corresponding income/charge for dilutive potential equity shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

xxiii) Segment reporting

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). Only those business activities are identified as operating segment for which the operating results are regularly reviewed by the CODM to make decisions about resource allocation and performance measurement.

Inter-segment transfers

The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general income and expense items which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

xxiv) **Recent accounting pronouncements**

Some amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the company. The company has not early adopted any standards or amendments that have been issued but are not yet effective.

(1) Amendment to Ind AS 38 Intangible assets acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognize both the intangible asset and the grant initially at fair value. If an entity chooses not to recognize the asset initially at fair value, the entity recognizes the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments are not applicable on the company.

(2) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the financial statements.

(3) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

(4) Indian Accounting Standards (Ind AS) issued but not yet effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after April 01, 2019. This standard replaces current guidance in Ind AS 17 and is a far-reaching change in accounting by lessees in particular.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

Ind AS 116 is effective for the Company w.e.f. April 01, 2019 using either one of the following two methods:

(a) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 116 (the full retrospective method); or

(b) retrospectively with the cumulative effect of initially applying Ind AS 116 recognized at the date of initial application (April 01, 2019) and providing certain additional disclosures as defined in Ind AS 116 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on leases resulting from the application of Ind AS 116 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements.

(5) Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12, 'Income taxes'

The appendix corresponds to IFRIC 23, Uncertainty over Income Tax Treatments issued by the IFRS Interpretations Committee.

This amendment clarifies how the recognition and measurement requirements of Ind AS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. The amendment applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

The interpretation is effective for annual periods beginning on or after April 01, 2019. The company is evaluating the impact of the amendment on the financial statements.

(6) Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19, Employee Benefits.

The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:
(a) calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change
(b) any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling
(c) separately recognise any changes in the asset ceiling through other comprehensive income.

The interpretation is effective for annual periods beginning on or after April 01, 2019. The company is evaluating the impact of the amendment on the financial statements.

(7) Annual Improvements to Ind AS

(a) Ind AS 23, 'Borrowing Cost'
The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 01, 2019. This amendment is not applicable to the Company.

AFFLE (INDIA) LIMITED

(Amount in INR million, unless otherwise stated)

3. Property, Plant and Equipment

Particulars	Computers	Furniture & fixtures	Office equipments	Motor Vehicles	Total
Cost					
As at April 1, 2017 (Unaudited)	**5.33**	**1.53**	**1.55**	**0.35**	**8.76**
Additions during the year	0.37	-	-	1.60	**1.97**
Disposals during the year	2.14	-	-	-	**2.14**
Foreign exchange difference	(0.01)	-	-	-	**(0.01)**
As at March 31, 2018 (Unaudited)	**3.55**	**1.53**	**1.55**	**1.95**	**8.58**
As at April 1, 2018 (Unaudited)	**3.55**	**1.53**	**1.55**	**1.95**	**8.58**
Additions during the year	5.59	0.04	1.36	-	**6.99**
Disposals during the year	0.07	-	0.02	-	**0.09**
Foreign exchange difference	(0.01)	-	-	-	**(0.01)**
As at March 31, 2019	**9.06**	**1.57**	**2.89**	**1.95**	**15.47**
Accumulated Depreciation					
As at April 1, 2017 (Unaudited)	**2.57**	**0.48**	**0.69**	**0.12**	**3.86**
Depreciation for the year	1.17	0.34	0.38	0.40	**2.29**
Disposals during the year	2.04	-	-	-	**2.04**
Foreign exchange difference	(0.02)	-	-	-	**(0.02)**
As at March 31, 2018 (Unaudited)	**1.68**	**0.82**	**1.07**	**0.52**	**4.09**
As at April 1, 2018 (Unaudited)	**1.68**	**0.82**	**1.07**	**0.52**	**4.09**
Depreciation for the year	2.53	0.54	0.58	0.74	**4.39**
Disposals during the year	0.06	-	0.01	-	**0.07**
Foreign exchange difference	(0.43)	-	-	-	**(0.43)**
As at March 31, 2019	**3.72**	**1.36**	**1.64**	**1.26**	**7.98**
Net block					
As at March 31, 2019	**5.34**	**0.21**	**1.25**	**0.69**	**7.49**
As at March 31, 2018 (Unaudited)	**1.87**	**0.71**	**0.48**	**1.43**	**4.49**

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AFFLE (INDIA) LIMITED

(Amount in INR million, unless otherwise stated)

4. Other Intangible Assets

Particulars	Goodwill (Refer Note 40)	Computer Software	Software application development	Total	Intangible assets under development
Cost					
As at April 1, 2017 (Unaudited)	**59.24**	**24.30**	**607.61**	**691.15**	**3.06**
Additions during the year	-	0.42	73.24	**73.66**	-
Capitalised during the year	-	-	-	-	3.06
Foreign exchange difference	-	-	1.43	**1.43**	-
As at March 31, 2018 (Unaudited)	**59.24**	**24.72**	**682.28**	**766.24**	-
As at April 1, 2018 (Unaudited)	**59.24**	**24.72**	**682.28**	**766.24**	-
Additions during the year	-	0.36	90.49	**90.85**	17.95
Acquisition during the year	266.05	-	26.53	**292.58**	-
Foreign exchange difference	-	-	33.88	**33.88**	-
As at March 31, 2019	**325.29**	**25.08**	**833.18**	**1,183.55**	**17.95**
Accumulated Amortization					
As at April 1, 2017 (Unaudited)	-	**22.66**	**391.45**	**414.11**	-
Amortization for the year	-	0.70	79.71	**80.41**	-
Foreign exchange difference	-	-	1.57	1.57	-
As at March 31, 2018 (Unaudited)	-	**23.36**	**472.73**	**496.09**	-
As at April 1, 2018 (Unaudited)	-	**23.36**	**472.73**	**496.09**	-
Amortization for the year	-	0.95	95.61	**96.56**	-
Foreign exchange difference	-	-	25.41	**25.41**	-
As at March 31, 2019	-	**24.31**	**593.75**	**618.06**	-
Net block					
As at March 31, 2019	**325.29**	**0.77**	**239.43**	**565.49**	**17.95**
As at March 31, 2018 (Unaudited)	**59.24**	**1.36**	**209.55**	**270.15**	-

Net book value	**March 31, 2019**	**March 31, 2018**
Goodwill*	325.29	59.24
Other intangible assets	240.20	210.91
Intangible assets under development	17.95	-
Total	**583.44**	**270.15**

* Goodwill includes amount of INR 59.24 million on account of business combination (Refer Note 40.1) and amount of INR 266.05 million on account of business acquisition (Refer Note 40.2).

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(Amount in INR million, unless otherwise stated)

5. Non-current investments

	As at	
	March 31, 2019	March 31, 2018 (Unaudited)
Investment at fair value through profit or loss (FVTPL)		
101 (March 31, 2018: 101) preference shares with face value of INR 10 each and with premium of INR 1,972 each in OOO Marketplaces Private Limited	0.20	0.20
50 (March 31, 2018: 50) equity shares with face value of INR 10 each and with premium of INR 1,219 each in OOO Marketplaces Private Limited	0.06	0.06
Total	**0.26**	**0.26**
Aggregate value of unquoted investments	0.26	0.26
Aggregate amount of impairment in the value of investments	-	-

6. Loans	Non-current		Current	
	As at		As at	
	March 31, 2019	March 31, 2018 (Unaudited)	March 31, 2019	March 31, 2018 (Unaudited)
At amortised cost				
Unsecured, considered good unless otherwise stated				
Security deposits	0.07	5.83	8.92	1.51
Loans to employees	0.73	-	1.85	0.64
Total	**0.80**	**5.83**	**10.77**	**2.15**

Note:
1) During the year ended March 31, 2019 & March 31, 2018, there were no balances of loan to employees with a significant increase in credit risk or credit impairment.
2) There are no loans and advances to Directors / Promoters / Promoter group companies / Relatives of Promoters / Relatives of Directors.
3) List of persons /entities classified as 'Promoters' and 'Promoter group companies' has been determined by the management and relied upon by the auditors. The auditors have not performed any procedure to determine whether the list is accurate and complete.

7. Other financial assets

	As at	
	March 31, 2019	March 31, 2018 (Unaudited)
At amortised cost		
Unsecured, considered good unless otherwise stated		
Interest accrued but not due on deposit	0.71	0.16
Others*	28.32	-
Total	**29.03**	**0.16**

* includes INR 2.70 million (March 31, 2018: Nil) recoverable from related parties (Refer Note 32)

(Amount in INR million, unless otherwise stated)

8. Income Tax

The major component of income tax expense for the year ended March 31, 2019 and March 31, 2018 are as follows:

(i) Profit or loss section

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Current income tax:		
Current income tax charge	102.12	85.44
Deferred tax:		
Relating to origination and reversal of temporary differences	7.67	1.45
Income tax expense reported in the consolidated statement of profit and loss	**109.79**	**86.89**

(ii) Other Comprehensive Income (OCI) section:

Deferred tax relating to items in OCI in the year:

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Net gain on measurement of defined benefit plans	0.07	0.04
Total	**0.07**	**0.04**

Reconciliation of tax expense and the accounting profit multiplied by the applicable tax rate(s):

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Accounting profit before income tax	598.00	365.19
At India's statutory income tax rate of 29.12% (March 31, 2018: 34.61%)	174.14	126.39
Share based payment	(1.62)	1.28
Non-deductible / taxable expenses for tax purposes	(18.82)	-
Effect of lower tax rate in case of foreign subsidiaries	(42.76)	(40.37)
Tax effect on partial tax exemption and tax relief	(1.89)	-
Rate difference	0.74	(0.41)
At the effective income tax rate of 18.36% (March 31, 2018: 23.79%)	**109.79**	**86.89**
Income tax expense reported in the consolidated statement of profit and loss	**109.79**	**86.89**

Deferred tax:

Deferred tax relates to the following:	As at	
	March 31, 2019	March 31, 2018 (Unaudited)
Fixed assets: impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	5.25	2.40
Impact of fair valuation of financial instruments	0.03	0.01
Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	4.85	4.27
Allowance for impairment of trade receivables and contract asset	4.45	10.11
Tax deductible goodwill	(17.26)	(11.85)
Deferred tax (liability) / asset (net)	**(2.68)**	**4.94**

Reconciliation of deferred tax (liability) / asset (net)

	As at	
	March 31, 2019	March 31, 2018 (Unaudited)
Opening balance of deferred tax asset (net)	4.94	18.96
Tax income / (expense) during the year recognised in profit or loss	(7.67)	(1.45)
Tax income / (expense) during the year recognised in OCI	0.07	0.04
MAT credit entitlement	-	(12.61)
Others	(0.02)	-
Closing balance of deferred tax (liability) / asset (net)	**(2.68)**	**4.94**

The Group 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 relates to income taxes levied by the same tax authority.

In assessing the realisibility of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the years in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the years in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

(Amount in INR million, unless otherwise stated)

9. Other Assets

	Non-current		Current	
	As at		As at	
	March 31, 2019	March 31, 2018 (Unaudited)	March 31, 2019	March 31, 2018 (Unaudited)
Unsecured, considered good				
Prepaid expenses	-	-	3.95	0.44
Deferred lease expense on security deposits paid	-	0.05	0.03	0.38
Balance with statutory/government authorities	-	-	13.74	6.79
Advances other than capital advances	-	-	5.96	4.63
Total	**-**	**0.05**	**23.68**	**12.24**

10. Trade Receivables

	As at	
	March 31, 2019	March 31, 2018 (Unaudited)
Unsecured, considered good		
Trade receivables from related parties (Refer Note 32)	10.41	0.35
Trade receivables from other than related parties	468.42	165.76
	478.83	**166.11**
Unsecured, considered doubtful		
Trade receivables from other than related parties	35.95	25.30
	35.95	**25.30**
Allowance for impairment of trade receivables	(35.95)	(25.30)
Total	**478.83**	**166.11**

The movement in allowance for impairment of trade receivables is as follows:

	For the period ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Opening balance	25.30	24.09
Additions	10.65	9.49
Baddebts written off (net of recovery)	-	(8.28)
Closing balance	**35.95**	**25.30**

Note:

1) Trade receivables are non-interest bearing and are generally on credit terms of 30 to 90 days. For terms and conditions relating to related party receivables, refer Note 32.

2) Following are the amounts due from Directors/Promoters/Promoter group companies/Relatives of Promoters/Relatives of Directors:

	As at	
	March 31, 2019	March 31, 2018 (Unaudited)
NewU Health and Fitness Platform Private Limited	-	0.35
Affle Global Pte. Ltd.	10.41	-
	10.41	**0.35**

3) List of persons /entities classified as 'Promoters' and 'Promoter group companies' has been determined by the management and relied upon by the auditors. The auditors have not performed any procedure to determine whether the list is accurate and complete.

4) During the year ended March 31, 2019 & March 31, 2018, there were no balances of trade receivables with a significant increase in credit risk or credit impairment.

S.R. BATLIBOI & ASSOCIATES

AFFLE (INDIA) LIMITED

11. Cash and Bank Balances

(i) Cash and Cash Equivalent

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Balances with banks:		
On current accounts [including in-transit amount of Nil (March 31, 2018: INR 41.66 million)]	205.99	125.99
Deposits with original maturity of less than three months	-	20.00
Cash in hand	0.09	0.37
Total	**206.08**	**146.36**

(ii) Other Bank Balances

Deposits with original maturity of more than three months but less than twelve months	98.83	42.83
Total	**98.83**	**42.83**

For the purpose of the statement of cash flow, cash and cash equivalent comprise the following:

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Balances with banks:		
On current accounts [including in-transit amount of Nil (March 31, 2018: INR 41.66 million)]	205.99	125.99
Deposits with original maturity of less than three months	-	20.00
Cash in hand	0.09	0.37
Total	**206.08**	**146.36**

12. Current Tax Assets (net)

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Advance tax [net of provision for tax amounting to INR 134.31 million (March 31, 2018: INR 44.77 million)]	11.58	26.09
Total	**11.58**	**26.09**

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Affle (India) Limited

(Amount in INR million, unless otherwise stated)

13. Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018 (Unaudited)
Authorised share capital		
30,000,000 (March 31, 2018: 25,000,000) equity shares of INR 10 each	300.00	250.00
Issued share capital		
24,288,314 (March 31, 2018: 24,88,314) equity shares of INR 10 each fully paid up	242.88	242.88
	242.88	**242.88**
Subscribed and fully paid-up share capital		
24,288,314 (March 31, 2018: 24,88,314) equity shares of INR 10 each fully paid up	242.88	242.88
	242.88	**242.88**

A. Reconciliation of the number of equity shares outstanding at the beginning and end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018 (Unaudited)	
	No. of shares	Amount	No. of shares	Amount
Opening balance as on April 1	2,42,88,314	242.88	2,42,88,314	242.88
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Closing Balance as on March 31	**2,42,88,314**	**242.88**	**2,42,88,314**	**242.88**

B. Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of INR10 per share. The holders of equity shares are entitled to receive dividends and are entitled to one vote per share. In the event of liquidation, equity shareholders will be entitled to receive assets of the Company in proportion to the number of shares held to the total equity shares outstanding as on that date.

C. Shares held by Holding Company and/or their subsidiaries

Out of the equity shares issued by the Company, shares held by its Holding Company and its subsidiaries are as below:

Particulars	As at March 31, 2019	As at March 31, 2018 (Unaudited)
Affle Holdings Pte. Ltd., Singapore, ultimate holding Company 18,368,939 (March 31, 2018: 20,270,367) equity shares of INR 10 each fully paid up	183.69	202.70
Affle Global Pte. Ltd. (earlier known as Affle Appstudioz Pte. Ltd.), Singapore, subsidiary of Affle Holdings Pte. Ltd. 4,017,911 (March 31, 2018: 4,017,913) equity shares of INR 10 each fully paid up	40.18	40.18

D. Details of shareholders holdings more than 5% shares

Name of Shareholder	As at March 31, 2019		As at March 31, 2018 (Unaudited)	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
Equity shares of INR 10 each fully paid				
Affle Holdings Pte. Ltd., Singapore	1,83,68,939	75.63%	2,02,70,367	83.46%
Affle Global Pte. Ltd., Singapore	40,17,911	16.54%	40,17,913	16.54%
Malabar India Fund Limited, Mauritius	16,16,214	6.65%	-	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(Amount in INR million, unless otherwise stated)

14. Provisions

	Non-Current		Current	
	As at			
	March 31, 2019	March 31, 2018 (Unaudited)	March 31, 2019	March 31, 2018 (Unaudited)
Provision for employee benefits				
Provision for gratuity * (Refer Note 29)	11.77	8.83	0.88	0.62
Provision for leave benefits	3.60	2.59	2.50	0.30
Total (A)	**15.37**	**11.42**	**3.38**	**0.92**
Other provisions				
Provision for contingency (Refer Note 43)	-	-	0.10	0.15
Total (B)	**-**	**-**	**0.10**	**0.15**
Total (A+ B)	**15.37**	**11.42**	**3.48**	**1.07**

* Due to non-applicability of gratuity to the employees of Subsidiary Company, the balance pertains to the Company only.

Movement in provision for contingency

	For the period ended	
	March 31, 2019	March 31, 2018 (Unaudited)
At the beginning of the year	0.15	0.72
Write off/utilized during the year	(0.05)	(0.57)
At the end of the year	**0.10**	**0.15**

15. Borrowings

	Non-Current		Current	
	As at			
	March 31, 2019	March 31, 2018 (Unaudited)	March 31, 2019	March 31, 2018 (Unaudited)
Loans from Holding Company (Unsecured)	69.17	-	20.75	-
Total	**69.17**	**-**	**20.75**	**-**

Details of borrowings i.e. interest rate, currency and terms of repayments of borrowings:

Particulars	Currency	Effective interest rate	Terms of repayment
Unsecured loan from Affle Holdings Pte. Ltd. vide loan agreement dated August 31, 2018 and addendum to loan agreement dated February 22, 2019	USD	3.00%	Interest is payable in three installments along with principal amount of loan on July 31, 2019, April 1, 2020 and August 31, 2020 respectively.
Cash credit facility from HDFC Bank	INR	11.25%	Interest is payable on monthly basis

Notes:

1) Term loan is secured by hypothecation of trade receivables. Cash credit facility has a pari pasu charge on receivables and book debts of present and future.

2) There are no unsecured loans taken from Directors / Promoters / Promoter group companies / Relatives of Promoters / Relatives of Directors.

3) List of persons/ entities classified as 'Promoters' and 'Promoter group companies' has been determined by the Management and relied upon by the auditors. The auditors have not performed any procedures to determine whether the list is accurate and complete.

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Affle (India) Limited (formerly known as "Affle (India) Private Limited")
Notes to Consolidated Financial Statements for the year ended March 31, 2019
(Amount in INR million, unless otherwise stated)

16. Trade Payables

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Current		
Trade payables - dues of micro and small enterprises (Refer Note 39)	-	-
Trade payables - others*	517.11	270.30
Total	**517.11**	**270.30**

* As at March 31, 2019, amount due to related parties is Nil (March 31, 2018 : INR 35.73 million).

17. Other Current Financial Liabilities

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
At amortised cost		
Salary payable	46.86	28.98
Others		
- Amount due to related company against business transfer (Refer Note 40)	33.57	122.87
- Amount due to other against business acquisition (Refer Note 40)	118.32	-
Total	**198.75**	**151.85**

Terms and conditions of the above current financial liabilities:
-Trade payables are non-interest bearing and are normally settled on 30-90 days term.
-For terms and conditions with related parties, refer note 32

Notes:
1) Following are the amounts due to Directors/Promoters/Promoter group companies/Relatives of Promoters/Relatives of Directors:

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Affle Global Pte. Ltd.	33.57	122.87
	33.57	**122.87**

2) List of persons /entities classified as 'Promoters' and 'Promoter group companies' has been determined by the management and relied upon by the auditors. The auditors have not performed any procedure to determine whether the list is accurate and complete.

18. Other Current Liabilities

	As at	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Statutory dues payable	24.51	18.08
Total	**24.51**	**18.08**

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(Amount in INR million, unless otherwise stated)

19. Revenue from Contracts with Customers

(a) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Type of service		
Consumer platform	2,419.43	1,622.20
Enterprise platform	74.53	50.25
Total revenue from contracts with customers	**2,493.96**	**1,672.46**

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Geographical markets		
India	1,088.55	770.22
Outside India	1,405.41	902.24
Total revenue from contracts with customers	**2,493.96**	**1,672.46**

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Timing of revenue recognition		
Services transferred over time	2,493.96	1,672.46
Total revenue from contracts with customers	**2,493.96**	**1,672.46**

(a) Contract balances

	As at	
	March 31, 2019	March 31, 2018 (Unaudited)
Trade receivables (Refer Note 10)	478.83	166.11
Contract assets		
Unbilled revenue [net of allowance for impairment amounting to INR 2.39 million (March 31, 2018: INR 3.70 million)]	131.87	79.13
Contract liability		
Advance from customers	6.40	3.42
Deferred revenue	0.39	-

Set out below is the amount of revenue recognised from:

	As at	
	March 31, 2019	March 31, 2018 (Unaudited)
Amounts included in contract liabilities at the beginning of the year	0.88	1.04
Performance obligations satisfied in previous years	-	-

(c) Performance obligations

Information about the Group's performance obligations are summarised below:

Consumer platform

The performance obligation is satisfied over time and payment is generally due within 30 to 90 days of completion of services and acceptance of the customer. In some contracts, short-term advances are required before the advertisement services are provided.

Enterprise platform

The performance obligation is satisfied over time and payment is generally due within 30 to 90 days of completion of services and acceptance of the customer. In some contracts, short-term advances are required before the advertisement services are provided.

As the duration of the contracts for consumer and enterprise platform is less than one year, the Group has opted for practical expedient and decided not to disclose the amount of the remaining performance obligations.

Notes:

Due to the adoption of Ind AS 115, there is no impact on the revenue recognised by the Company. Hence, the reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price is not required.

(Amount in INR million, unless otherwise stated)

20. Other Income

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Recurring other income:		
Interest income on financial assets measured at amortised cost:		
Bank deposits	3.33	2.94
Security deposits	0.42	0.18
Bad debts recovered	0.01	0.30
Infrastructure support services	0.01	0.26
Non-recurring other income:		
Miscellaneous income	0.18	1.26
Total	**3.95**	**4.94**

Notes:
The classification of other income as recurring / non-recurring, to business entity is based on the current operations and business activity of the group as determined by the management.

21. Inventory and Data Costs

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Inventory cost	1,236.66	797.47
Platform cost	65.55	57.42
Cloud hosting charges	50.03	10.88
	1,352.24	**865.77**
Less: Cost capitalised as intangible assets or intangible assets under development (Refer Note 41)	(11.11)	(7.63)
Total	**1,341.13**	**858.14**

22. Employee Benefits Expense

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Salaries, wages and bonus	248.19	180.77
Contribution to provident and other funds	9.09	7.40
Gratuity expense (Refer Note 29)	3.43	2.51
Employee share based payment expense (Refer Note 38)	(5.58)	3.69
Staff welfare expenses	7.20	4.18
	262.33	**198.55**
Less: Cost capitalised as intangible assets or intangible assets under development (Refer Note 41)	(50.06)	(24.53)
Total	**212.27**	**174.02**

AFFLE (INDIA) LIMITED

(Amount in INR million, unless otherwise stated)

23. Finance Costs

	For the year ended	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Interest on borrowings	4.86	8.84
Interest on income tax	1.26	1.40
Bank charges	1.95	1.62
Others	0.04	0.13
Total	**8.11**	**11.99**

24. Depreciation and Amortization Expense

	For the year ended	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Depreciation of property, plant and equipments (Note 3)	4.39	2.29
Amortization of intangible assets (Note 4)	96.56	80.41
Total	**100.95**	**82.70**

25. Other Expenses

	For the year ended	
	March 31, 2019	**March 31, 2018 (Unaudited)**
Power and fuel	0.64	0.59
Rent	22.59	19.02
Rates and taxes	0.55	1.02
Insurance	2.30	0.83
Repair and maintenance - Others	7.17	4.58
Legal and professional fees (including payment to statutory auditor, refer detail below)*	29.19	11.01
Travelling and conveyance	18.82	11.65
Communication costs	2.26	2.23
Printing and stationery	0.84	0.40
Recruitment expenses	0.49	0.25
Business promotion	110.77	92.60
Impairment allowance of trade receivables and contract asset	10.56	20.57
Advances given written off	0.08	3.26
Loss on disposal of property, plants and equipment and intangible assets (net)	-	0.06
Exchange differences (net)	8.10	2.24
Software license fee	1.81	1.25
Project development expenses	9.14	8.95
Directors sitting fee	7.40	-
CSR expenses**	0.81	-
Miscellaneous expenses	7.81	7.54
Less: Cost capitalised as intangible assets or intangible assets under development (Refer Note 41)	(3.88)	(2.69)
Total	**237.45**	**185.36**

S.R. BATLIBOI & ASSOCIATES LLP

AFFLE (INDIA) LIMITED

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
Notes to Consolidated Financial Statements for the year ended March 31, 2019
(Amount in INR million, unless otherwise stated)

	For the year ended	
	March 31, 2019	March 31, 2018 (Unaudited)
***Payment to statutory auditor:**		
As auditors:		
Audit fee	6.09	-
In other capacity		
Advisory and certification services	1.18	-
Reimbursement of expenses	0.04	-
Total	7.31	-

Note:

1) The audit fee pertaining to the quarter ended June 30, 2018 and period ended October 31, 2018 has been treated as Intital Public Offer (IPO) expenses and accordingly have been clubbed under the heading 'other financial assets'.

**** Details of CSR expenses**

During the year Group has contributed INR 0.81 million out of the total contributable amount of INR 0.77 million in accordance with Section 135 read with Schedule VII to the Companies Act, 2013

26. Other Comprehensive Income

The disaggregation of changes to other comprehensive income by each type of reserve in equity is shown below:

	For the period ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Exchange differences on translation of foreign operations	(3.11)	(2.11)
Re-measurement losses on defined benefit plans	(0.25)	(0.12)
Income tax effect	0.07	0.04
Total	**(3.29)**	**(2.19)**

27. Earnings Per Share (EPS)

Basic 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

For the purpose of calculating diluted EPS, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

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

	For the period ended	
	March 31, 2019	March 31, 2018 (Unaudited)
Profit attributable to equity holders of the parent for basic earnings	488.21	278.30
Effect of dilution	-	-
Profit attributable to equity holders of the parent for the effect of dilution	**488.21**	**278.30**
Weighted Average number of equity shares used for computing basic earning per share (in million)	24.29	24.29
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution	**24.29**	**24.29**
Basic EPS attributable to the equity holders of the parent (absolute value in INR)	20.10	11.46
Diluted EPS attributable to the equity holders of the parent (absolute value in INR)	20.10	11.46

28. Significant Accounting Judgements, Estimates and Assumptions

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

Judgements
In the process of applying the Group's accounting policies, management has not made any significant judgement, which have the most significant effect on the amounts recognised in the financial statements.

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

(a) Impairment of non-financial assets
Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group has not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. Refer Note 40 for further disclosures.

28. Significant Accounting Judgements, Estimates and Assumptions (Continued)

(b) Allowance for impairment of trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience adjusted for forward-looking estimates. Individual trade receivables are written off when management deems them not to be collectible. For details of allowance of doubtful debts please refer Note 10

(c) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based on the timing, likely and the level of future taxable profits together with future tax planning strategies. Refer Note 8 for further disclosures.

(d) Defined benefit plans (Gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India. Further details about gratuity obligations are given in Note 29.

(e) Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Determining the timing of satisfaction of services

(i) Consumer Platform

The Group concluded that revenue for consumer platform services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group.

(ii) Enterprise Platform

The Group concluded that revenue for enterprise platform services is to be recognised over time because the Group's performance does not create an asset with alternative use and the Group has a right to payment for performance completed to date.

The Group determined that the input method is the best method in measuring progress of both the services because there is a direct relationship between the Group's effort and the transfer of service to the customer.

(Amount in INR million, unless otherwise stated)

29. Employee Benefits

A. Defined Contribution Plans

Provident Fund:

The Group makes contribution towards employees' provident fund. The Group has recognised INR 9.09 million (March 31, 2018: 7.40 million) as an expense towards contribution to this plan.

B. Defined Benefit Plans

Gratuity:
The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service with part thereof in excess of six months. The same is payable on termination of service or retirement or death whichever is earlier.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government bonds as at the date of actuarial valuation. Actuarial gains and losses (net of tax) are recognised immediately in the Other Comprehensive Income (OCI).

This is a unfunded benefit plan for qualifying employees. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit or loss and other comprehensive income and amounts recognised in the balance sheet for the gratuity plan:

Changes in the present value of the defined benefit obligation are, as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Balance as at the beginning of the year	9.45	7.48
Current service cost	2.72	1.95
Interest cost	0.71	0.56
Benefits paid	(0.47)	(0.66)
Re-measurement losses on obligation	0.24	0.12
Balance as at the end of the year	**12.65**	**9.45**

Amount recognised in the consolidated statement of profit and loss:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Current service cost	2.72	1.95
Interest cost	0.71	0.56
Net expense recognised in the consolidated statement of profit and loss	**3.43**	**2.51**

Amount recognised in the consolidated other comprehensive income:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Re-measurement losses on arising from experience adjustment	0.24	0.12
Net expense recognised in the consolidated other comprehensive income	**0.24**	**0.12**

29. Employee Benefits (Continued)

The principal actuarial assumptions used in determining gratuity liability for the Group's plan is shown below:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Discount rate	7.65%	7.50%
Future salary increase	8.00%	8.00%
Withdrawal rate (per annum)		
- Up to 30 years	20.00%	20.00%
- From 31 years to 44 years	10.00%	10.00%
- From 44 years to 58 years	0.00%	0.00%
Retirement age (years)	58	58
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)

The discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligations. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Present Value of Obligation at the end of the year	12.65	9.45
Impact of the change in discount rate		
Impact due to increase of 0.50 %	(0.67)	(0.50)
Impact due to decrease of 0.50 %	0.73	0.55
Impact of the change in salary rate		
Impact due to increase of 0.50 %	0.73	0.55
Impact due to decrease of 0.50 %	(0.67)	(0.50)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on define benefit obligation as a result of reasonable changes in key assumptions occurring at the end of reporting year.

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (Unaudited)
Within the next 12 months (next annual reporting period)	0.88	0.62
Between 2 and 5 years	3.36	2.75
Between 5 and 10 years	8.41	6.08
Total expected payments	**12.65**	**9.45**

The average duration of the defined benefit plan obligation at the end of the reporting year is 8.48 years (March 31, 2018: 8.22 years).

ASSOCIATES

AFFLE (INDIA) LIMITED

30. Commitments and contingent liability

a. Leases

Operating lease : Group as lessee
The Group has taken office premises on lease. The lease has been entered for a period ranging from one to nine years with renewal option. The Group has the option, under some of its leases, to renew the lease for an additional period of 3 years on a mutual consent basis. The lease payments amounting to INR 22.59 million (March 31, 2018: 19.02 million) has been charged to the consolidated statement of profit and loss.

Future minimum rentals payable under the operating lease is as follows:

Particulars	March 31, 2019	March 31, 2018 (Unaudited)
Within one year	22.59	11.57
After one year but not more than five years	4.69	1.36

b. Capital commitments

As at March 31, 2019, the Company has commitments on capital account and not provided for (net of advances) is INR 11.99 million (March 31, 2018: INR 6.63 million).

c. Contingent liabilities

(i) Claims against the Company not acknowledged as debts includes the following:

- Income tax demand from the Income tax authorities of INR 4.6 million which is mainly on account of disallowance of amortization of goodwill as claimed by the Company in the income tax. The matter is pending before Commissioner of Income Tax (Appeals), Mumbai.

- demand from Goods and Service Tax authorities for payment of interest and penalty of INR 2.6 million upon completion of their tax investigation for fiscal 2012-13. The service tax demand is on account of interest and penalty calculated on the principal of service tax levied on import of customised software, by downloading electronically, as per provision of service tax, under Reverse Charge Mechanism. The principal demand of service tax was duly deposited on identification of the matter and management is of the contention that no interest and penalty is payable under provisions of revenue nuetrality.

The Company is contesting the demands and the Management, including its tax advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the demand raised. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(ii) Other:
There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

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AFFLE (INDIA) LIMITED

31. Group Information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiary listed in the table below:

Name	Country of Incorporation	Principal activities	Name of Holding	% equity interest as at March 31, 2019	% equity interest as at March 31, 2018
Affle International Pte. Ltd.	Singapore	Mobile advertisement	Affle (India) Limited	100%	-
PT Affle Indonesia	Indonesia	Mobile advertisement	Affle International Pte. Ltd.	100%	-

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	INR million	As % of consolidated profit and loss	INR million	As % of consolidated other comprehensive income	INR million	As % of total comprehensive income	INR million
Parent								
Affle (India) Limited								
Balance as at March 31, 2019	63.90%	462.68	34.16%	166.79	5.36%	(0.18)	34.36%	166.61
Balance as at March 31, 2018 (Unaudited)	100.00%	301.65	-	88.31	-	(0.08)	-	88.23
Foreign Subsidiaries								
Affle International Pte. Ltd.								
Balance as at March 31, 2019	36.91%	267.27	63.16%	308.37	0.00%	-	63.59%	308.37
Balance as at March 31, 2018 (Unaudited)	0.00%	-	-	-	-	-	-	-
PT Affle Indonesia								
Balance as at March 31, 2019	-0.81%	(5.90)	2.67%	13.05	0.00%	-	2.69%	13.05
Balance as at March 31, 2018 (Unaudited)	0.00%	-	-	-	-	-	-	-
Adjustment arising out of consolidation								
Balance as at March 31, 2019	0.00%	-	-	-	94.64%	(3.11)	-0.64%	(3.11)
Balance as at March 31, 2018 (Unaudited)	0.00%	-	-	-	-	-	-	-
Total								
Balance as at March 31, 2019	100.00%	724.05	100.00%	488.21	100.00%	(3.29)	100.00%	484.92
Balance as at March 31, 2018 (Unaudited)	100.00%	301.65	-	88.31	-	(0.08)	-	88.23

32. Related Party Disclosures

(i) Names of related parties and related party relationship

S.No.	Relationship	Name of the related party
(i)	Holding company	Affle Holdings Pte. Ltd. Singapore
(ii)	Fellow subsidiaries	Affle Limited, United Kingdom (till August 21, 2018) OOO Marketplaces Private Limited Affle Global Pte. Ltd. (earlier known as Affle Appstudioz Pte. Ltd., Singapore)
(iii)	Enterprises owned or significantly influenced by key management personnel or their relatives	NewU Health and Fitness Platform Private Limited [till June 01, 2018]
(iv)	Key management personnel	Anuj Kumar (Director) Anuj Khanna Sohum (Chairman, Managing Director & Chief Executive Officer) Kapil Mohan Bhutani (Director, Chief Financial & Operations Officer) Khushboo Sachdeva (Company Secretary) [till September 18, 2017] Akanksha Gupta (Company Secretary) [w.e.f. January 8, 2018 till April 30, 2019] Parmita Choudhury (Company Secretary) [w.e.f. June 1, 2019]

AFFLE (INDIA) LIMITED

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(Amount in INR million, unless otherwise stated)

32. Related Party Disclosures (Continued)

(ii) The following table provides the total value of transactions that have been entered into with related parties for the relevant year:

Particulars	Fellow subsidiaries		Holding company	
	March 31, 2019	March 31, 2018 (Unaudited)	March 31, 2019	March 31, 2018 (Unaudited)
Reimbursement of expenses by the Group				
Affle Global Pte. Ltd.	11.16	30.88	-	-
Affle Holdings Pte. Ltd.	-	-	10.50	-
OOO Marketplaces Private Limited	0.03	-	-	-
Reimbursement of expenses to the Group				
Affle Global Pte. Ltd.	16.13	9.64	-	-
Affle Holdings Pte. Ltd.	-	-	67.43	-

Transaction with Key Management Personnel

Particulars	March 31, 2019	March 31, 2018 (Unaudited)
Compensation paid*:		
Anuj Kumar		
Short-term employee benefits	11.37	10.50
Share based payments	(3.23)	-
Kapil Mohan Bhutani		
Short-term employee benefits	8.12	2.86
Share based payments	(0.24)	0.08
Khushboo Sachdeva (till September 14, 2017)		
Short-term employee benefits	-	0.28
Akanksha Gupta		
Short-term employee benefits	1.24	0.18
Anuj Khanna Sohum		
Short-term employee benefits	0.25	-

* The remuneration to the key management personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole. Also, it does not include provision for incentives, payable on the basis of actual performance parameters, in next year.

(iii) Balances as at the year end

Particulars	Fellow subsidiaries		Holding Company		Enterprises owned or significantly influenced by key management personnel or their relatives	
	March 31, 2019	March 31, 2018 (Unaudited)	March 31, 2019	March 31, 2018 (Unaudited)	March 31, 2019	March 31, 2018 (Unaudited)
Trade receivables						
Affle Global Pte. Ltd.	10.41	-	-	-	-	-
NewU Health and Fitness Platform Pvt Ltd	-	-	-	-	-	0.35
Other current financial assets						
OOO Marketplaces Private Limited	0.03	-	-	-	-	-
Affle Holdings Pte. Ltd.	-	-	2.67	-	-	-
Long-term borrowings						
Affle Holdings Pte. Ltd.	-	-	69.17	-	-	-
Short-term borrowings						
Affle Holdings Pte. Ltd.	-	-	20.75	-	-	-
Trade payables						
Affle Global Pte. Ltd.	-	35.73	-	-	-	-
Other current financial liabilities						
Affle Global Pte. Ltd.	33.57	122.87	-	-	-	-

AFFLE (INDIA) LIMITED

32. Related Party Disclosures (Continued)

Particulars	Key management personnel	
	March 31, 2019	March 31, 2018 (Unaudited)
Payable to key management personnel:		
Akanksha Gupta		
Other Payable	-	0.00
Salary payable	0.08	0.07
Anuj Kumar		
Other Payable	0.20	-
Salary payable	0.16	0.90
Kapil Mohan Bhutani		
Other Payable	0.04	-
Salary payable	0.34	0.52
Anuj Khanna Sohum		
Salary payable	0.02	-

No amount has been written off or written back in the year in respect of debts due from/to above related parties

Terms and conditions of transactions with related parties

The sale and purchase from related parties are made on terms equivalent to those that prevail in arm's length transaction. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2019 and March 31, 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(Amount in INR million, unless otherwise stated)

33. Segment Information

The Group's operations pre-dominantly relate to providing mobile advertising services through consumer intelligence platforms.

The Board of Directors, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Group's performance and allocates resources based on the analysis of the various performance indicators of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirements of Ind AS 108 "Operating Segments".

Geographical information
In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets, which have been based on the geographical location of the assets.

Year ended and as at March 31, 2019

Particulars	India	Outside India	Total
Revenue from contracts with customers			
Sales to external customers	1,088.55	1,405.41	2,493.96
Other segment information			
Non-current assets (other than financial assets and deferred tax asset)	253.62	337.31	590.93
Capital expenditure:			
Property, plant and equipment	6.31	0.68	6.99
Intangible assets	47.28	70.10	117.38

Year ended and as at March 31, 2018 (Unaudited)

Particulars	India	Outside India	Total
Revenue from contracts with customers			
Sales to external customers	770.22	902.24	1,672.46
Other segment information			
Non-current assets (other than financial assets and deferred tax asset)	151.14	123.55	274.69
Capital expenditure:			
Property, plant and equipment	1.97	-	1.97
Intangible assets	38.34	35.32	73.66

Information about major customers
The Group had two customers that each contributed more than 10% of the Group's revenue from contracts with customers for the year ended March 31, 2019 and 2018. The total amount of revenue from contracts with these two customers for the year ended March 31, 2019 was INR 1,068.35 million (March 31, 2018: INR 796 million).

S.R. Batliboi & Associates LLP

AFFLE (INDIA) LIMITED

(Amount in INR million, unless otherwise stated)

34. Statement of Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars	Carrying value		Fair value	
	As at		As at	
	March 31, 2019	March 31, 2018 (Unaudited)	March 31, 2019	March 31, 2018 (Unaudited)
Financial assets				
A. FVTPL financial instruments:				
Investments	0.26	0.26	0.26	0.26
B. Amortised Cost:				
Loans	11.57	7.98	11.57	7.98
Trade receivables	478.83	166.11	478.83	166.11
Cash and cash equivalents	206.08	146.36	206.08	146.36
Other bank balances	98.83	42.83	98.83	42.83
Other financial assets	29.03	0.16	29.03	0.16
Total	**824.60**	**363.70**	**824.60**	**363.70**
Financial liabilities				
Amortised Cost:				
Borrowings	89.92	-	89.92	-
Trade payables	517.11	270.30	517.11	270.30
Other financial liabilities	198.75	151.85	198.75	151.85
Total	**805.78**	**422.15**	**805.78**	**422.15**

The management assessed that cash and cash equivalents, other bank balances, trade receivables, borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Further, the subsequent measurements of all assets and liabilities (other than investments) is at amortised cost, using effective interest rate (EIR) method.

The following methods and assumptions were used to estimate the fair values:

Receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

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(Amount in INR million, unless otherwise stated)

35. Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 . Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2 Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly
Level 3 Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	Date of valuation	Valuation technique	Inputs used	Total	Fair value measurement using		
					Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:							
FVTPL financial instruments:							
Investments	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.26	-	0.26	-
				0.26	-	**0.26**	-
Investment carried at cost:							
Assets measured at amortised cost:							
Loans	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	11.57	-	11.57	-
Trade receivables	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	478.83	-	478.83	-
Cash and cash equivalents	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	206.08	-	206.08	-
Other bank balances	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	98.83	-	98.83	-
Other financial assets	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	29.03	-	29.03	-
				824.34	-	**824.34**	-
Liabilities measured at amortised cost							
Borrowings	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	89.92	-	89.92	-
Trade payables	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	517.11	-	517.11	-
Other financial liabilities	March 31, 2019	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	198.75	-	198.75	-
				805.78	-	**805.78**	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2019

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018 (Unaudited):

Particulars	Date of valuation	Valuation technique	Inputs used	Total	Fair value measurement using		
					Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:							
FVTPL financial instruments:							
Investments	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.26	-	0.26	-
				0.26	-	**0.26**	-
Assets measured at amortised cost:							
Loans	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	7.98	-	7.98	-
Trade receivables	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	166.11	-	166.11	-
Cash and cash equivalents	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	146.36	-	146.36	-
Other bank balances	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	42.83	-	42.83	-
Other financial assets	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.16	-	0.16	-
				363.44	-	**363.44**	-
Liabilities measured at amortised cost							
Trade payables	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	270.30	-	270.30	-
Other financial liabilities	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	151.85	-	151.85	-
				422.15	-	**422.15**	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2018.

S.R. Batliboi & Associates LLP

Affle (India) Limited

(Amount in INR million, unless otherwise stated)

36. Financial Risk Management Objectives and Policies

The Group's principal financial liabilities comprise of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalent that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is responsible to ensure that Group's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a. Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market price.

(i) Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group does not use derivative financial instruments such as forward exchange contracts or options to hedge its risk associated with foreign currency fluctuations or for trading/speculation purpose.

The amount of foreign currency exposure not hedged by derivative instruments or otherwise is as under:

Particulars	As at March 31, 2019		As at March 31, 2018 (Unaudited)	
	Foreign currency	Amount in INR	Foreign currency	Amount in INR
Trade payables				
USD	0.75	51.57	0.61	39.69
SGD	0.03	1.50	-	-
MYR	0.04	0.76	-	-
Contract liabilities				
USD	0.02	1.15	-	-
Trade receivables				
USD	0.82	56.52	0.25	16.47
SGD	0.10	5.16	0.01	0.49
MYR	1.06	18.07	-	-
EURO	0.34	26.12	-	-
CAD	0.00	0.09	-	-
Cash and cash equivalents				
USD	0.55	37.70	0.22	14.09

The following table demonstrate the sensitivity to a reasonable possible change in USD exchange rates on profit before tax arising as a result of the revaluation of the Group's foreign currency financial assets and unhedged liabilities.

Particulars	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity
	For the year ended March 31, 2019		For the year ended March 31, 2018 (Unaudited)	
Effect of 10% strengthening of INR against USD*	(4.19)	(4.19)	0.91	0.91
Effect of 10% strengthening of INR against SGD*	(0.37)	(0.37)	(0.05)	(0.05)
Effect of 10% strengthening of INR against MYR*	(1.73)	(1.73)	-	-
Effect of 10% strengthening of INR against EURO*	(2.61)	(2.61)	-	-
Effect of 10% strengthening of INR against CAD*	(0.01)	(0.01)	-	-
Effect of 10% weakening of INR against USD	4.19	4.19	(0.91)	(0.91)
Effect of 10% weakening of INR against SGD	0.37	0.37	0.05	0.05
Effect of 10% weakening of INR against MYR	1.73	1.73	-	-
Effect of 10% weakening of INR against EURO	2.61	2.61	-	-
Effect of 10% weakening of INR against CAD	0.01	0.01	-	-

* Figures in bracket signifies credit to profit and loss account

b. Credit Risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions.

A counterparty whose payment is due more than 90 days after the due date is considered as a defaulted party. This is based on considering the market and economic forces in which the Group operates. The Group write-off the amount if the credit risk of counter-party increases significantly due to its poor financial position.

All the financial assets carried at amortised cost were into good category except some portion of trade receivables considered under doubtful category (Refer Note 10).

(Amount in INR million, unless otherwise stated)

Trade receivables

Trade receivables are typically unsecured. Credit risk is managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The Group is exposed to credit risk in the event of non-payment by customers. An impairment analysis is performed at each reporting date. The Group uses a provision matrix to measure the expected credit loss of trade receivables

The ageing analysis of trade receivables as of the reporting date is as follows:

ECL rate	Particulars	2.42%	17.34%	27.33%	27.33%	34.46%	100.00%	Total
Trade receivables as at		0-90 days	90-180 days	180-360 days	1-2 year	2-3 year	> 3 year	
March 31, 2019	Gross carrying amount	448.31	38.77	11.90	4.53	7.25	4.02	514.78
March 31, 2019	ECL - Simplified approach*	19.67	1.46	7.07	1.23	2.50	4.02	35.95
March 31, 2019	Net carrying amount	428.64	37.31	4.83	3.30	4.75	-	478.83
March 31, 2018 (Unaudited)	Gross carrying amount	156.35	12.83	10.18	7.68	4.37	-	191.41
March 31, 2018 (Unaudited)	ECL - Simplified approach*	7.22	2.61	3.42	7.68	4.37		25.30
March 31, 2018 (Unaudited)	Net carrying amount	149.13	10.22	6.76	-	-	-	166.11

The ageing analysis of contract asset as of the reporting date is as follows:

ECL rate	Particulars	2.42%	0.00%	0.00%	0.00%	0.00%	0.00%	Total
Trade receivables as at		0-90 days	90-180 days	180-360 days	1-2 year	2-3 year	> 3 year	
March 31, 2019	Gross carrying amount	134.26						134.26
March 31, 2019	ECL - Simplified approach*	2.39						2.39
March 31, 2019	Net carrying amount	131.87	-	-	-	-	-	131.87
March 31, 2018 (Unaudited)	Gross carrying amount	82.83						82.83
March 31, 2018 (Unaudited)	ECL - Simplified approach*	3.70						3.70
March 31, 2018 (Unaudited)	Net carrying amount	79.13	-	-	-	-	-	79.13

Reconciliation of impairment allowance on trade receivables and contract asset

Particulars	March 31, 2018	March 31, 2018 (Unaudited)
Opening impairment allowance	29.00	26.06
Add: Asset originated	9.34	11.22
Less: write-offs (net of recovery)	-	(8.28)
Closing impairment allowance	**38.34**	**29.00**

None of those trade receivables past due or impaired have had their terms renegotiated. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables presented in the financial statement. The Group does not hold any collateral or other credit enhancements over balances with third parties nor does it have a legal right of offset against any amounts owed by the Group to the counterparty. For receivables which are overdue the Group has subsequently received payments and has reduced its overdue exposure.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

c. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group monitors their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations. The Group's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner.

A balance between continuity of funding and flexibility is maintained through the use of borrowings. The Group also monitors compliance with its debt covenants. The maturity profile of the Group's financial liabilities based on contractual undiscounted payments is given in the table below.

Particulars	Contractual undiscounted value	0-1 year	1-2 years	2-5 years	More than 5 years
As at March 31, 2019					
Borrowings	89.92	20.75	69.17	-	-
Trade payables	517.11	517.11	-	-	-
Other financial liabilities	198.75	198.75	-	-	-
	805.78	**736.61**	**69.17**	-	-
As at March 31, 2018 (Unaudited)					
Trade payables	270.30	270.30	-	-	-
Other financial liabilities	151.85	151.85	-	-	-
	422.15	**422.15**	-	-	-

(Amount in INR million, unless otherwise stated)

37. Capital Management

The Board's policy maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

For the purpose of the Group's capital management, capital includes issued equity capital general reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. The Group's policy is to keep the gearing ratio between 0% and 70%

Particulars	As at March 31, 2019	As at March 31, 2018 (Unaudited)
Borrowings [Note 15]	89.92	-
Trade payables [Note 16]	517.11	270.30
Other current financial liabilities [Note 17]	198.75	151.85
Less: Cash and cash equivalents [Note11]	(206.08)	(146.36)
Net debts	**599.70**	**275.79**
Total capital	724.05	304.65
Capital and net debt	1,323.75	580.44
Gearing ratio (%)	**45%**	**48%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current year

No changes were made in the objectives, policies or processes for managing capital during the year

(Amount in INR million, unless otherwise stated)

38. Share-Based Payments

Affle Holdings Pte Ltd., Singapore (AHPL), the holding company, has certain stock options plans which entitle the employees of the group, the option to purchase shares of AHPL at the exercise date

Description of the plan

Share options were granted to key management at the absolute discretion of the Compensation Committee of the Board of Directors under the Affle Employee Share Option Scheme and Affle Restricted Share Plan, which became operative on 18 June 2009.

The option shall vest at the rate of one-fourth (1/4) per year starting on every one-year anniversary from the grant date. Vesting of the options granted under the Scheme is conditional on:
(i) the key management or employee remaining in the Company at grant date
(ii) atleast 30% year on year revenue growth of AHPL

Once the options are vested, they are exercisable for a period of ten years. The options may be exercised in full or in part, to purchase a whole number of vested shares not less than 100 shares, unless the number of shares subscribed is the total number available for subscription under the option

The details of the plan is as follows:

Date of grant	January 15, 2010	May 31, 2011	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016
Exercise price	41.09	62.35	105.40	137.55	132.09	154.96
Options granted	10,42,500	2,36,250	2,03,250	30,000	57,000	57,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Validity	10 years	10 years	10 years	10 years	10 years	10 years
Vesting schedule	25% of the options vest every year from the respective grant dates up to the 4th year					

On July 11, 2018, the Annual General Meeting of Affle Holdings Pte. Ltd (AHPL) was held in which resolution for the forfeiture of all the vested, unvested and unexercised options under Affle Employee Share Option Scheme (ESOS) and Affle Restricted Share Plan (RSU) for years 2008 to 2018 was passed with immediate effect as the vesting conditions relating to options was not met.

Subsequently on July 12, 2018 the employees who were granted ESOS - RSU options signed the waiver letter with regards to their unexercised options right
Accordingly, as per the provisions of Ind AS 102 Share Based Payments, the expense previously recognised for the unvested options has been reversed.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period/year:

Particulars	March 31, 2019		March 31, 2018 (Unaudited)	
	Number	WAEP	Number	WAEP
Outstanding at the beginning	**12,76,250**	**55.71**	**12,76,250**	**55.71**
Granted during the year	-	-	-	-
Forfeited during the year	(12,76,250)	(55.71)	-	-
Exercised during the year	-	-	-	-
Exercisable at the end	-	-	**12,76,250**	**55.71**

The expenses arising from equity settled share based payment transactions in the year ended March 31, 2019 was INR (1.29) million (March 31, 2018: INR 0.92 million)
The weighted average remaining contractual life for the share options outstanding as at March 31, 2019: Nil and March 31, 2018: 6.60 years.
The range of exercise prices for options outstanding at the end of of the year was INR Nil and March 31, 2018 was INR 41.09 to INR 154.96

The following table lists the inputs to the models used for the plan:

Particulars	January 15, 2010	May 31, 2011	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	85.0 - 86.8	80	78.4 - 84.2	75.1 - 79.3	75.1 - 79.3	66.1 - 68.9
Risk free interest rate (%)	2.6 - 3.2	2.7 - 3.3	0.9 - 12	1.8 - 2.0	1.8 - 2.0	1.8 - 2.0
Expected life of share options (years)	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10
Weighted average share price (INR)	36.09	28.40	47.29	16.78	42.37	82.13
Model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Restricted Share Plan
Under Affle Restricted Share Plan, the employee is not required to pay for the grant of the awards. Awards are forfeited when either of the vesting conditions as stated above is not met

The details of the plan is as follows:

Date of grant	April 1, 2015	April 1, 2016
Options granted	1,66,428	2,60,000
Vesting period	10 years	10 years
Method of settlement	Equity	Equity
Share price (INR)	42.96	82.39

Movements during the year

Particulars	March 31, 2019	March 31, 2018 (Unaudited)
	Number	Number
Outstanding at the beginning of the year	**3,16,055**	**3,16,055**
Granted during the year	-	-
Forfeited during the year	(3,16,055)	-
Exercised during the year	-	-
Outstanding at the end of the year	-	**3,16,055**

The expenses arising from equity settled share based payment transactions was INR (4.29) million (March 31, 2018: INR 2.77 million)
The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was Nil years (March 31, 2018 was 7.83 years)

AFFLE (INDIA) LIMITED

(Amount in INR million, unless otherwise stated)

39. Dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

In term of the requirement of the Micro, Small and Medium Enterprise Development Act, 2006, the Group has continuously sought confirmations. Based on the information available with the Group, there is no principal/interest amount due to micro and small enterprises.

Particulars	As at 'March 31, 2019	As at 'March 31, 2018 (Unaudited)
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	Nil	Nil

Affle (India) Limited (formerly known as "Affle (India) Private Limited")
Notes to Consolidated Financial Statements for the year ended March 31, 2019
(Amount in INR million, unless otherwise stated)

40. Business Combination

40.1 Business combinations under common control

(i) Acquisition of business of Affle Global Pte. Ltd. and investment in PT Affle Indonesia

Affle International Pte. Ltd. ("Affle International"), a wholly owned subsidiary of Affle (India) Limited (the "Company"), entered into an agreement with Affle Global Pte. Ltd. ("AGPL") on July 14, 2018, pursuant to which Affle International acquired the AGPL's Platform based business ("Platform Business Undertaking") and investments in PT Affle Indonesia, effective July 1, 2018 for a consideration of INR 131.90 million (equivalent to USD 1,906,792 at the exchange rate of USD1= INR 69.1713). The transfer of the business includes:

- Intellectual Properties ("IP") Rights
- Business relationship
- Technical information including Tech and Data Assets, including three US patents
- Employees
- Non-compete
- AGPL's investment in its 100% subsidiary PT Affle Indonesia

Assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired at the date of acquisition:

Fair value recognised on acquisition	INR million
Assets	
Intangible assets of AGPL	131.81
Investment in PT Affle Indonesia	0.09
Total identifiable net assets	**131.90**
Capital reserve arising on acquisition	-
Purchase consideration	**131.90**

Book Value of Asset and Liabilities	INR million
Total Asset Acquired	93.46
Less: Total Liability Acquired	(88.83)
Less: Retained earnings (accumulated loss) taken at book value	21.17
Net Amount	**25.80**
Purchase Consideration Paid	0.09
Capital reserve	**25.71**

Analysis of cash flow on acquisition:	INR million
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Consideration paid in cash (included in cash flows from investing activities)	98.33
Consideration payable in cash	33.57
Net cash flow on acquisition	**131.90**

The Group acquisition of business from AGPL is considered to be a business combination under common control as AGPL and the Group are both ultimately controlled by the Affle Holdings Pte. Ltd. The Group adopts pooling of interest in respect of the acquisition of business combination under common control as prescribed in Appendix C to Ind AS 103 "Business combinations of entities under common control"

As such, the consolidated financial statements as at and for the year ended March 31, 2019 incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the beginning of the earliest financial years presented.

As Affle International has not acquired any assets except the intangible asset and the equity interests in PT Affle Indonesia as on July 01, 2018, the profit attributable to AGPL for the period April 01, 2018 to June 30, 2018; amounting to INR 59.94 million (March 31, 2018: INR 184.41 million), has been adjusted from consolidated profit for the year under other equity. The same has been disclosed as cash flows from investing activities.

Transaction costs incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination is is recognised as an expense in the year in which it is incurred.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date.

40. Business Combination

40.1 Business combinations under common control

(ii) Scheme of amalgamation in accordance with previous GAAP

During the year ended March 31, 2017, the Holding Company has merged its fellow subsidiaries i.e. AD2C Holdings, AD2C India, Appstudioz Technologies into one merged entity, Affle India Limited (formerly known as "Affle (India) Private Limited") under the court approved scheme of amalgamation in accordance with erstwhile applicable previous GAAP.

Business combination under common control has been accounted for using purchase method in accordance with previous GAAP as prescribed under court scheme instead of using pooling interest method as prescribed under Ind AS 103. Business Combinations as the approved court scheme will prevail over applicable accounting standard.

Accordingly, the Scheme was accounted for using purchase method in accordance with erstwhile applicable Accounting Standard 14 "Accounting for Amalgamations". All the assets and liabilities of the Transferor Companies have been incorporated at fair values as at 1 April 2015 against the purchase consideration of INR 84.64 Mn which resulted in the Goodwill on amalgamation of amounting INR 59.24.

Goodwill acquired through business combinations have indefinite life. The Group performed its impairment test for the year ended March 31, 2019.

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40. Business Combination (Cont'd)

40.2 Business combinations under non-common control entities

(i) Acquisition of Identified Business of Vizury Interactive Solutions Private Limited

On September 1, 2018, Affle (India) Limited ("the Company") acquired the Commerce Business ("Identified Business") of Vizury Interactive Solutions Private Limited ("Vizury India") for a consideration of INR 106.44 million (equivalent to USD 1.50 million at the exchange rate of USD1= INR 70.96) minus profit after tax of Vizury India for the period 15 May 2018 to 31 August 2018 of INR 21.37 million (equivalent to USD 0.30 million at the exchange rate of USD1= INR 70.96).

The Company acquired the Identified Business of Vizury India so as to continue the expansion of the consumer platform segment.

Assets acquired and liabilities assumed

The goodwill computed in case of above acquisition is based on provisional purchase price allocation ("PPA") available with the Company. The management of the Company shall be using the services of an external expert to carry out a detailed PPA of the purchase consideration paid / payable to the shareholders of Vizury India. Adjustment, resulting from such PPA shall be carried out in the financial statements of the Company. Consequently, the values of assets and liabilities acquired, and the resultant goodwill could be materially different once the PPA valuation is completed. The forgoing is in line with the provisions of Ind AS 103 Business Combinations which allows the initial accounting for a business combination to be completed within one year from the acquisition date. Based on the provisional PPA information obtained, the fair value of the identifiable net asset arising from the transaction are as follows:

Assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired at the date of acquisition:

Fair value recognised on acquisition	INR million
Assets	
Software Application Development (Technology)	9.93
Total identifiable net assets	**9.93**
Goodwill arising from acquisition	75.14
Purchase consideration	**85.07**

Analysis of cash flow on acquisition:

	INR million
Transaction costs of the acquisition (included in cash flows from operating activities)	1.02
Consideration paid in cash (included in cash flows from investing activities)	53.22
Consideration payable in cash	31.85
Net cash flow on acquisition	**86.09**

Acquisition related costs

The Company has incurred acquisition-related costs of INR 1.02 million on legal fees and due dilligence costs. These costs have been recognised as an expense in statement of profit or loss in the current year, within the 'other expenses' line item.

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40. Business Combination (Cont'd)

40.2 Business combinations under non common control entities

(ii) Acquisition of Identified Business of Vizury Interactive Solutions Pte. Ltd. and Vizury Interactive Solutions FZ-LLC

On September 1, 2018, Affle International Pte. Ltd. ("Affle International"), wholly owned subsidiary of the Company acquired the Commerce Business ("Identified Business") of Vizury Interactive Solutions Pte. Ltd. ("Vizury Singapore") and Vizury Interactive Solutions FZ-LLC ("Vizury Dubai") for a consideration of INR 207.51 million.

Affle International acquired the Identified Business of Vizury Singapore and Vizury Dubai so as to continue the expansion of the consumer platform segment.

Assets acquired and liabilities assumed

The Company has acquired only the intangible assets of Identified Business of Singapore and Vizury Dubai namely the Intellectual Properties, Domain Name, Business Relationships, Employees and Non-compete whose book value as on the date of acquisition was Nil. The management of the Company has used services of an external independent expert to carry out a detailed Purchase Price Allocation ("PPA") of the purchase consideration paid to the shareholders of Vizury Singapore and Vizury Dubai. Pursuant to such PPA valuation, conducted by an independent expert, the net consideration of INR 207.51 million have been allocated, based on the fair value computations, at the acquisition date, as an intangible asset, arising from this acquisition. The initial accounting for this business combination has been finalised as at date of the financial statements. Based on the PPA information obtained, the fair value of the identifiable net asset arising from the transaction are as follow:

The following table summarises the recognised amounts of assets acquired at the date of acquisition:

Fair value recognised on acquisition	INR million
Assets	
Software Application Development (Technology)	16.60
Total identifiable net assets	**16.60**
Goodwill arising on acquisition	190.91
Purchase consideration	**207.51**

Analysis of cash flow on acquisition:

	INR million
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Consideration paid in cash (included in cash flows from investing activities)	121.04
Consideration payable in cash	86.47
Net cash flow on acquisition	**207.51**

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40. Business Combination (Cont'd)

From the date of acquisition, Vizury has contributed INR 256.16 million of revenue to continuing operations of the Group. If the combination had taken place at the beginning of year ended March 31, 2019, the total Group's revenue from continuing operations would have been INR 2,686.09 million.

Impairment testing of Goodwill

Goodwill acquired through business combinations have indefinite life. The Group performed its impairment test for the year ended March 31, 2019. The Group considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a period of five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Group has extrapolated cash flows beyond 5 years using a growth rate of 2% (March 31, 2018: 2%).

The said cash flow projections are based on the senior management past experience as well as expected met trends for the future periods. The projected cash flows have been updated to reflect the decreased demand for services. The calculation of weighted average cost of capital (WACC) is based on the Group's estimated capital structure as relevant and attributable to the Group. The WACC is also adjusted for specific risks, market risks and premium, and other inherent risks associated with similar type of investments to arrive at an approximation of the WACC of a comparable market participant. The said WACC being pre-tax discount rates reflecting specific risks, are then applied to the above mentioned projections of the estimated future cash flows to arrive at the discounted cash flows.

The key assumptions used in the determination of VIU are the revenue annual growth rates and the EBITDA growth rate. Revenue and EBITDA growths are based on average value achieved in preceeding years. Also, the growth rates used to extrapolate the cash flows beyond the forecast period are based on industry standards.

Based on the above assumptions and analysis, no impairment was identified as at March 31, 2019. Further, on the analysis of the said calculation's sensitivity to a reasonably possible change in any of the above mentioned key assumptions / parameters on which the Management has based determination of the recoverable amount, there are no scenarios identified by the management wherein the carrying value could exceed its recoverable amount.

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Affle (India) Limited (formerly known as "Affle (India) Private Limited")
Notes to Consolidated Financial Statements for the year ended March 31, 2019
(Amount in INR million, unless otherwise stated)

41. Capitalisation of Intangible Assets

The Group has capitalized the following expenses of operating nature to the internally developed software. Consequently, the expenses disclosed under the respective heads are net of amounts capitalized by the Group.

Particulars	March 31, 2019	March 31, 2018 (Unaudited)
Salaries, allowances and bonus	50.06	24.53
Rent	2.53	1.74
Power and fuel	0.09	0.08
Printing and stationery	0.10	0.05
Repairs and maintenance - others	0.98	0.69
Communication	0.18	0.13
Inventory and data costs	11.11	7.63
Total	**65.05**	**34.85**

42. The Company is in contravention of certain provisions under Foreign Exchange Management Act (FEMA) due to certain administrative and regulatory non-filings by authorized dealer with Reserve Bank of India (RBI) related to non-allotment of equity shares within stipulated time and is in the process of applying for relevant approvals with the regulatory authorities. The Company, basis legal opinion obtained in earlier year, was reasonably confident of receiving approval/ condonation from the regulatory authorities with respect to the above non-compliance after incurring certain penalties. The Holding Company has guaranteed to reimburse any liability arising on the Company on account of such non-compliance and accordingly, the Company has recorded provision and corresponding indemnification assets of amounting INR 7.50 million as at March 31, 2014. The Company has revised its estimate of provision due to regularization of the non-compliance and accordingly, has reduced the provision and indemnification asset at INR 2.20 million and INR 0.50 million as at March 31, 2015 and March 31, 2016 respectively.

During the year ended March 31, 2018, RBI has compounded the contravention on payment of INR 0.50 million by order dated August 02, 2017.

43. The Company has filed complaint with the police department for embezzlement of the Company's car and filed the statement of claims to recover full cost of the Company's car amounting to INR 0.61 million (March 31, 2018: INR 0.61 million). This embezzlement was done by ex- director of the Company, by transferring the Company's car to the name of his father without any form of consent from the Company. Therefore, the Company has written down entire net book value of the Company's car amounting to INR 0.10 million (March 31, 2018: INR 0.15 million) in the books.

44. The Company has appointed independent consultants for conducting a transfer pricing study to determine whether the transactions with associated enterprise were undertaken at "arm length price". The management confirms that all domestic and international transactions with associated enterprises are undertaken at a negotiated contracted price on usual commercial terms and is confident of there being no adjustment on completion of the study. Adjustment, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed.

45. The Company enters into various transaction for the purchase and sale of services with overseas customers and vendors. As per the guidelines issued by RBI, payment for all imports should be made within a period of 6 months and collection for all exports should be made within a period of 9 months respectively, unless approved by the Authorized Dealer. As at March 31, 2019, the aggregate amount of payable outstanding for more than 6 months is INR 6.55 million and receivable outstanding for more than 9 months is INR 7.17 million. The Company has intimated the Authorised Dealer about the delays in recovery and expects to get relief from any penalties being imposed, once the transaction is completed and has, accordingly, not provided for any penalties in these financial statements.

46. Subsequent Events
A. Affle International Pte Ltd ("Affle International") and RevX Inc. ("RevX") has entered into a business transfer agreement dated June 14, 2019 pursuant to which Affle International has acquired the RevX Business as a slump sale, on an "as is where is basis", for total consideration of USD 4.50 million, including all of RevX's business including its business assets consisting of: (i) intellectual property (but not the "RevX" brand); (ii) records; (iii) movable assets; (iv) goodwill; and (v) transferred contracts, assumed liabilities with effective from April 1, 2019.

B. Affle International, Shoffr Pte. Ltd. ("Shoffr"), Abhishek Dadoo and Nagendra Hassan Dhanakeerthi (together with Abhishek Dadoo, the "Founders") entered into a business transfer and non-compete agreement dated February 20, 2019 (the "Shoffr BTA"), as amended, for total consideration of USD 0.55 million, pursuant to which, among other things, Affle International acquired the Shoffr's Business (as defined in the Shoffr BTA) as a going concern, including the brand name 'Shoffr' and all of the intellectual property rights, technical information, employees and assets of the Shoffr Business. The acquisition has been concluded post March 31, 2019 and accordingly no impact was required to be considered in the financial statement for the year ended March 31, 2019.

47. Previous year comparitives
These are the first set of consolidated financial statements of the Group, in accordance with Ind AS - 110 "Consolidated Financial Statements". Hence there are no comparative figures.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm's Registration No.: 101049W/E300004

per Yogesh Midha
Partner
Membership No.: 94941
Place: Gurugram
Date: June 29, 2019

S.R. BATLIBOI & ASSOCIATES LLP

For and on behalf of the Board of Directors of
Affle (India) Limited
CIN No. U65990MH1994PLC080451

Anuj Khanna Sohum
Chairman, Managing Director & Chief Executive Officer
[DIN: 01363666]
Place: Gurugram
Date: June 29, 2019

Anuj Kumar
Director
[DIN: 01400273]
Place: Gurugram
Date: June 29, 2019

Kapil Mohan Bhutani
Director, Chief Financial & Operations Officer
[DIN: 00554760]
Place: Gurugram
Date: June 29, 2019

Parmita Choudhury
Company Secretary
Membership No.: 26261
Place: Gurugram
Date: June 29, 2019