INDEPENDENT AUDITOR'S REPORT

To the Members of Ebix Vayam Technologies Pvt. Ltd.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Ebix Vayam Technologies Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information other than financial statement and auditor's report thereon

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can

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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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with

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them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

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

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

   (g) The Company is a Private Limited Company and accordingly requirements of Section 197(16) of the Act are not applicable.

   (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:

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i. The Company does not have any pending litigation which would impact its financial positions.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For T R Chadha & Co LLP
Chartered Accountants
Firm's Registration No. 006711N/N500028

T R Chadha & Co. LLP NEW DELHI Chartered Accountants

Hitesh Garg
Partner
Membership No. 502955

Place: Noida
Date: 26th September 2019
UDIN: 19502955AAAACD1294

Ebix Vayam Technologies Private Limited

"Annexure A" as referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

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

   (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

   (c) According to the information and explanations given to us, there are no immovable properties held in the name of the Company. Accordingly, clause 3 (1) (c) of Companies (Auditor's Report) Order, 2016 ("the Order") is not applicable to the Company.

2. The inventory has been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.

3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or other parties in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

4. In our opinion and according to the information and explanation given to us, the Company has not granted any loan or given any guarantee or security or made any investment covered under Section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of clause 3 (iv) of the Order are not applicable to the Company.

5. The Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the Rules framed thereunder. Accordingly, the provisions of Clause 3 (v) of the Order are not applicable to the Company.

6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the product or services of the Company.

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NEW DELHI
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7. (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees state insurance, income tax, Goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. There were no arrears of undisputed statutory dues as at 31st March 2019, which were outstanding for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and the records of the company examined by us, there are no statutory dues which have not been deposited on account of any dispute.

8. The Company has not borrowed from any financial institution or bank, and has not issued any debentures; therefore, the provisions of Clause 3 (viii) of the Order are not applicable to the Company.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.

10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

11. The provisions of Section 197 read with Schedule V of the Companies Act 2013 are not applicable for Private Limited Company. Accordingly, clause 3 (xi) of the Order is not applicable to the Company.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment of shares. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

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15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

16. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For T R Chadha & Co LLP
Chartered Accountants
Firm's Registration No. 006711N/N500028

T R Chadha & Co. LLP NEW DELHI Chartered Accountants

Hitesh Garg
Partner
Membership No. 502955

Place: Noida
Date: 26th September 2019

UDIN : 19502955AAAACD1294

Ebix Vayam Technologies Private Limited

"Annexure B" as referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

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

We have audited the internal financial controls over financial reporting of Ebix Vayam Technologies Private Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 with reference to Ind AS Financial Statements

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Chartered Accountants

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 control system with reference to Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial control with reference to Ind AS Financial Statements included obtaining an understanding of internal financial control with reference to Ind AS 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 Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Ind AS Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to Ind AS 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 Ind AS financial statements includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to Ind AS 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to Ind AS financial statements and such internal financial controls over financial reporting with reference to Ind AS financial statements were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For T R Chadha & Co LLP
Chartered Accountants
Firm's Registration No. 006711N/N500028

T R Chadha & Co. LLP
NEW DELHI
Chartered Accountants

Hitesh Garg
Partner
Membership No. 502955

Place: Noida
Date: 26th September 2019
UDIN: 19502955AAAACD1294

Ebix Vayam Technologies Private Limited
CIN: U72300UP2016PTC077148
Balance Sheet as at 31st March 2019
All amounts are in INR Lakhs unless otherwise stated

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	0.06	0.17
Financial Assets			
(i) Other Non-Current Financial Assets	4	2,190.67	2,608.64
Non Current Tax Assets (Net)	5	37.30	90.30
Total Non-Current Assets		**2,228.03**	**2,699.11**
Current Assets			
Inventories	6	-	2,530.52
Financial Assets			
(i) Trade Receivables	7	17,519.18	9,421.30
(ii) Cash and Cash Equivalents	8	236.23	957.06
(iii) Other Bank Balances	9	1,102.53	481.43
(iv) Other Current Financial Assets	10	5,243.14	113.38
Other Current Assets	11	1,260.89	1,889.26
Total Current Assets		**25,361.97**	**15,392.94**
Total Assets		**27,590.00**	**18,092.05**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	1.00	1.00
Other Equity	13	(298.89)	(56.05)
Total Equity		**(297.89)**	**(55.05)**
Liabilities			
Current Liabilities			
Financial Liabilities			
(i) Borrowings	14	21,432.86	10,032.03
(ii) Trade Payables			
Micro Small and Medium Enterprises	15	-	-
Other than Small and Medium Enterprises	15	3,423.54	6,120.84
(iii) Other Financial Liabilities	16	900.87	544.19
Other Current Liabilities	17	2,130.62	1,450.04
Total Current Liabilities		**27,887.89**	**18,147.10**
Total Liabilities		**27,887.89**	**18,147.10**
Total Equity and Liabilities		**27,590.00**	**18,092.05**

Significant Accounting Policies — 2
The accompanying notes are an integral part of these financial statements
As per our report of even date.

For T R Chadha & Co LLP
Chartered Accountants
Firm Reg No.: 006711N / N500028

T R Chadha & Co. LLP NEW DELHI Chartered Accountants

Hitesh Garg
Partner
M. No.: 502955

Place: Noida
Date: 26th September 2019

For and on behalf of the board of directors of
Ebix Vayam Technologies Private Limited

Sanjay Singh
Director
DIN 07637953

Raman Singh Bhati
Director
DIN 07879660

Ebix Vayam Technologies Pvt. Ltd.

Ebix Vayam Technologies Private Limited

CIN: U72300UP2016PTC077148

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

All amounts are in INR Lakhs unless otherwise stated

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Revenue from Operations	18	13,882.17	5,776.49
Other Income	19	280.46	150.54
Total Income		**14,162.63**	**5,927.03**
Expenses			
Purchase of Stock-in-Trade	20	8,651.34	6,252.13
Change in Inventory of Finished Goods	21	2,530.52	(1,702.59)
Cost of Sub-Contractor Services		1,311.18	195.06
Employee Benefits Expense	22	27.40	23.74
Finance Costs	23	1,001.33	609.10
Depreciation Expense	24	0.11	0.29
Other Expenses	25	883.58	588.35
Total Expenses		**14,405.47**	**5,966.08**
Profit/ (Loss) Before Tax		**(242.84)**	**(39.05)**
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Profit/ (Loss) for the Period (A)		**(242.84)**	**(39.05)**
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit or Loss			
Remeasurement of defined benefit plans		-	-
Deferred Tax relating to remeasurement of defined benefit plans		-	-
Total Other Comprehensive Income for the Period (B)		-	-
Total Comprehensive Income for the Period (A + B)		**(242.84)**	**(39.05)**
Earnings/ (Loss) per Equity Share of Rs. 10 each (Amount in Rs.)	29		
Basic		(2,428.38)	(390.50)
Diluted		(2,428.38)	(390.50)

Significant Accounting Policies 2

The accompanying notes are an integral part of these financial statements

As per our report of even date.

For T R Chadha & Co LLP
Chartered Accountants
Firm Reg No.: 006711N / N500028

Hitesh Garg
Partner
M. No.: 502955

For and on behalf of the board of directors of
Ebix Vayam Technologies Private Limited

Sanjay Singh
Director
DIN 07637953

Raman Singh Bhati
Director
DIN 07879660

Place: Noida
Date: 26th September 2019

T R Chadha & Co. LLP NEW DELHI Chartered Accountants

Ebix Vayam Technologies Pvt. Ltd.

Ebix Vayam Technologies Private Limited
Statement of Changes in Equity for the year ended 31 March 2019
All amounts are in INR Lakhs unless otherwise stated

(a) Equity Share Capital

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Opening Balance	10,000	1.00	10,000	1.00
Changes during the year	-	-	-	-
Closing Balance	**10,000**	**1.00**	**10,000**	**1.00**

(b) Other Equity

	Reserves & Surplus					OCI	
	Securities Premium Account	General Reserve	Capital Reserve	Retained Earnings	Equity Portion of Borrowings	Remeasurement of Defined Benefit Plans	Total
Balance at 31 March 2018	-	-	-	(56.05)	-	-	(56.05)
Changes in Accounting Policy / Prior Period Errors	-	-	-	-		-	-
Restated Balance at the Beginning of the Reporting Period	-	-	-	(56.05)	-	-	(56.05)
Profit/ (Loss) for the year	-	-	-	(242.84)		-	(242.84)
Other Comprehensive Income for the year	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	(242.84)	-	-	(242.84)
Other Additions during the year	-	-	-	-	-	-	-
Balance at 31 March 2019	-	-	-	(298.89)	-	-	(298.89)
							-

As per our report of even date attached

For T R Chadha & Co LLP
Chartered Accountants
Firm Reg No.: 006711N / N500028

Hitesh Garg
Partner
M. No.: 502955

Place: Noida
Date: 26th September 2019

For and on behalf of the board of directors of
Ebix Vayam technologies Private Limited

Sanjay Singh
Director
DIN 07637953

Raman Singh Bhati
Director
DIN 07879660

Ebix Vayam Technologies Private Limited
CIN: U72300UP2016PTC077148
Cash Flow Statement for the year ended 31st March 2019
All amounts are in INR Lakhs unless otherwise stated

		For the year ended 31st March 2019	For the year ended 31st March 2018
A	**Cash flows from Operating Activities**		
	Net Profit/ (Loss) after Prior Period Items and Before Tax	(242.84)	(39.05)
	Adjustments For:		
	a) Interest Income	(238.06)	(145.19)
	b) Depreciation	0.11	0.29
	c) Interest Expense	1,000.97	604.65
	Operating Cash Profit before Working Capital Changes	**520.18**	**420.71**
	Movement in Working Capital:-		
	a) Increase/(Decrease) in Trade Payables	(2,697.30)	5,164.85
	b) Increase/(Decrease) in Other Current Liabilities	680.58	(8.40)
	c) Increase/(Decrease) in Other Current Financial Assets	(5,010.08)	-
	d) (Increase)/Decrease in Other Non Current Financial Assets	(0.05)	(10.40)
	e) (Increase)/Decrease in Inventories	2,530.52	(1,702.59)
	f) (Increase)/Decrease in Trade Receivables	(8,097.88)	(2,681.33)
	g) (Increase)/Decrease in Other Current Assets	628.37	(1,645.42)
	Cash Generated from/ (used in) Operations	(11,445.66)	(462.59)
	Less: Income Tax Paid (Net of Refunds)	53.00	(83.69)
	Net Cash Generated from/ (used in) Operating Activities before Extraordinary Item	(11,392.66)	(546.28)
	Outflow for Extraordinary Item	-	-
	Net Cash Generated from/ (used in) Operating Activities (A)	**(11,392.66)**	**(546.28)**
B	**Cash Flow from Investing Activities:**		
	(Purchase) of Property, Plant and Equipment and Capital Work in Progress	-	-
	Interest Received	118.38	91.31
	Net movement in Fixed Deposits	(203.08)	(1,381.45)
	Net Cash Generated from/ (Used in) Investing Activities (B)	**(84.71)**	**(1,290.14)**
C.	**Cash Flow from Financing Activities:**		
	Net proceeds/(Repayment) of Long Term Borrowings	11,400.83	3,001.77
	Interest Expense Paid	(644.29)	(281.53)
	Net Cash generated from/ (used in) Financing Activities (C)	**10,756.54**	**2,720.24**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(720.82)	**883.82**
	Cash and Cash Equivalents at the Beginning of the year	957.06	73.24
	Cash and Cash Equivalents at the End of the year	**236.23**	**957.06**
	Components of cash and cash equivalents		
	With banks on current accounts	236.23	957.06
	Total cash and cash equivalents	**236.23**	**957.06**

The accompanying notes are an integral part of these financial statements
As per our report of even date.

For T R Chadha & Co LLP
Chartered Accountants
Firm Reg No.: 006711N / N500028

T R Chadha & Co. LLP NEW DELHI Chartered Accountants

Hitesh Garg
Partner
M. No.: 502955

Place: Noida
Date: 26th September 2019

For and on behalf of the board of directors of
Ebix Vayam Technologies Private Limited

Sanjay Singh
Director
DIN 07637953

Raman Singh Bhati
Director
DIN 07879660

Ebix Vayam Technologies Pvt. Ltd.

Ebix Vayam Technologies Private Limited
Notes to Financial Statements for the year ended 31 March 2018
All amounts are in INR Lakhs unless otherwise stated

3. Property, Plant and Equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 1st April 2018	Additions	Deletions	As at 31 March 2019	As at 1st April 2018	Additions	Deletions	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Tangible Assets										
Office Equipment - Computers	0.46			0.46	0.29	0.11		0.40	0.06	0.17
Total	**0.46**	-	-	**0.46**	**0.29**	**0.11**	-	**0.40**	**0.06**	**0.17**
Previous Year	**0.46**	-	-	**0.46**	-	**0.29**	-	**0.29**	**0.17**	

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Ebix Vayam Technologies Pvt. Ltd. *

Ebix Vayam Technologies Private Limited

Notes to Financial Statements for the year ended 31 March 2019

All amounts are in INR Lakhs unless otherwise stated

	As at 31 March 2019	As at 31 March 2018
4 Other Non-Current Financial Assets		
(Unsecured, considered good)		
Security deposits		
- with Government authorities	10.00	10.00
- with others	0.65	0.60
Balances with banks in deposit accounts*	2,180.02	2,598.04
	2,190.67	**2,608.64**

*Margin money deposited with bank as security to issue bank guarantee./LC

	As at 31 March 2019	As at 31 March 2018
5 Non-Current Tax Assets (Net)		
Advance tax (Net of provision for income tax)	37.30	90.30
	37.30	**90.30**
6 Inventories		
(At cost or NRV whichever is lower)		
Stock in Trade		
- Hardware	-	1,065.39
- Software	-	1,465.13
	-	**2,530.52**
7 Trade Receivables		
Unsecured and considered good		
From related parties (Refer Note 30)	17,519.18	9,421.30
	17,519.18	**9,421.30**

The amount receivable from M/s Vayam Technologies Ltd. (Vayam), a related party, are due mainly against material and services supplied/provided by the Company to Vayam under back to back arrangements amongst the Company, Vayam and Bharat Sanchar Nigam Limited (BSNL). As per banking arrangement with Vayam, as soon as payments are collected by Vayam from BSNL, the same will be credited to the Company as per the standing instructions submitted with bank. The Company and Vayam are following up for the payment with BSNL and considering BSNL is a public sector entity, the Company believes that these receivables are fully collectible and therefore no allowance for credit loss is required in the books against these balances.

	As at 31 March 2019	As at 31 March 2018
8 Cash and Cash Equivalents		
Balance with banks:		
- In current account	236.23	957.06
	236.23	**957.06**
9 Other Bank Balances		
In deposits accounts*	1,102.53	481.43
	1,102.53	**481.43**

*Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the balance sheet date. This is margin money deposited with bank as security to issue bank guarantee./LC

	As at 31 March 2019	As at 31 March 2018
10 Other Current Financial Assets		
Unbilled Revenue*	5,010.08	-
Interest accrued on term deposits	233.06	113.38
	5,243.14	**113.38**

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Notes to Financial Statements for the year ended 31 March 2019
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	As at 31 March 2019	As at 31 March 2018
***Movement in contract assets during the year**		
Balance at the beginning of the year	-	
Revenue recognised during the year	5,010.08	
Invoices raised during the year	-	
Balance at the end of the year	**5,010.08**	

	As at 31 March 2019	As at 31 March 2018
11 Other Current Assets		
Advances to vendors	258.95	557.62
Taxes and duties recoverable	746.11	769.87
Prepaid Expenses	255.00	550.75
Other Advances	0.83	11.02
	1,260.89	**1,889.26**

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All amounts are in INR Lakhs unless otherwise stated

12 Share Capital

	As at 31 March 2019	As at 31 March 2018
Authorised:		
10,000 (31 March 2018 - 10,000) equity shares of Rs.10/- each	1.00	1.00
Issued, subscribed & fully paid up:		
10,000 (31 March 2018 - 10,000) equity shares of Rs.10/- each	1.00	1.00
	1.00	**1.00**

a. Terms and rights attached to Equity Shares

The Company has only one class of Equity shares referred to as equity shares each having a par value of Rs. 10/- per share. The Equity Shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 2013.

b. Reconciliation of Number of Equity Shares outstanding at the beginning and end of the year :

	Number of Shares	Amount
Outstanding at the 31 March 2018	10,000	1.00
Equity Shares issued during the year	-	-
Outstanding at the 31 March 2019	10,000	1.00

c. Shareholders holding more than 5% of the Equity shares in the company

Name of the Shareholders	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	% holding	No. of Shares	% holding
Ebix Software India Private Ltd. (Holding Company)	5,100	51.00%	5,100	51.00%
Vayam Technologies Limited	4,900	49.00%	4,900	49.00%

13 Other Equity

	As at 31 March 2019	As at 31 March 2018
Retained earnings		
Balance at the beginning of the year	(56.05)	(17.00)
Add: Profit/ (loss) for the year after taxation as per statement of Profit and Loss	(242.84)	(39.05)
	(298.89)	(56.05)
Total Equity	(298.89)	(56.05)

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Ebix Vayam Technologies Private Limited

Notes to Financial Statements for the year ended 31 March 2019

All amounts are in INR Lakhs unless otherwise stated

	As at 31 March 2019	As at 31 March 2018
14 Short Term Borrowings (Unsecured)		
- Inter corporate deposit from related parties (Refer Note 30)*	21,432.86	10,032.03
	21,432.86	**10,032.03**

*Above inter corporate deposit carries interest @ 8.00% per annum and is repayable out of project receivables.

15 Trade Payable		
Micro Small and Medium Enterprises	-	-
Other than Small and Medium Enterprises	3,423.54	6,120.84
	3,423.54	**6,120.84**
16 Other Current Financial Liabilities		
Interest accrued and due on inter corporate deposit from related parties (Refer Note 30)	900.87	544.19
	900.87	**544.19**
17 Other Current Liabilities		
Statutory dues	26.46	90.83
Management Fee Payable (Refer Note 30)	1,148.21	1,198.05
Expenses Payable	955.95	161.17
	2,130.62	**1,450.04**

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Ebix Vayam Technologies Private Limited

Notes to Financial Statements for the year ended 31 March 2019

All amounts are in INR Lakhs unless otherwise stated

18 Revenue from Operations

		For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of Goods (Refer Note 30)		9,520.21	3,243.94
- Sale of Hardware		2,339.79	2,262.21
- Sale of Software		2,022.17	270.34
Sale of Services (Refer Note 30)		13,882.17	5,776.49

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 29).

19 Other Income

Interest income		238.06	145.19
- On bank deposits		42.40	5.36
Other Income		280.46	150.54

20 Purchase of Stock-in-Trade

- Purchase of Hardware		6,818.31	3,416.91
- Purchase of Software		1,833.03	2,835.22
		8,651.34	6,252.13

21 Change in Inventory of finished goods

Closing Stock			
- Hardware		-	1,065.39
- Software		-	1,465.13
	Total A	-	2,530.52
Opening Stock			
- Hardware		1,065.39	321.58
- Software		1,465.13	506.35
	Total B	2,530.52	827.93
Decrease / (Increase) in Inventories (B-A)		2,530.52	(1,702.59)

22 Employee Benefits Expense

Salaries and wages		27.40	23.74
		27.40	23.74

23 Finance Cost

Interest on inter corporate deposit (Refer Note 30)		1,000.97	604.65
Interest on delayed payment of Statutory Dues		0.36	4.45
		1,001.33	609.10

24 Depreciation Expense

Depreciation on Tangible Assets		0.11	0.29
		0.11	0.29

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Notes to Financial Statements for the year ended 31 March 2019

All amounts are in INR Lakhs unless otherwise stated

	For the year ended 31 March 2019	For the year ended 31 March 2018
25 Other Expenses		
Management Fees (Refer Note 30)	-	238.08
Foreign Exchange Loss/ (Gain)	306.57	61.77
Rent Expense	5.23	7.16
Legal, Professional and Consultancy Charges	11.01	18.67
Insurance	3.74	6.84
Travelling & Conveyance	13.98	16.83
Rates and Taxes	0.12	0.31
Penalty	3.00	-
Freight and Forwarding Charges	439.95	224.90
Advances written off	11.12	-
Bank Charges	67.00	7.73
Communication Expenses	0.19	0.04
Payment to Auditors	2.00	2.00
Miscellaneous Expenses	19.67	4.02
Total	**883.58**	**588.35**
25.1 Payment to Auditors as:		
Statutory Auditor		
Audit Fees	1.50	1.50
Tax Audit Fees	0.50	0.50
	2.00	**2.00**
26 Earning/ (Loss) Per Share		
Profit/ (Loss) for the Year	(242.84)	(39.05)
Weighted Average Number of Equity Shares of Rs. 10/- each	10,000	10,000
EPS - Basic and Diluted (Amount in Rs.)	**(2,428.38)**	**(390.50)**

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27 The information related to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of of information available with the Company.

28 Contingent Liabilities, Contingent Assets and Commitments

A. Contingent Liabilities and Contingent Assets

The Company has pledged its fixed deposits to banks against the Performance Bank Guarantees amounting Rs. 2,005.49 Lakhs (Previous year Rs. 1,774.33 Lakhs) issued by the banks in favor of Bharat Sanchar Nigam Limited on behalf of Vayam Technologies Limited.

The company is not having any contingent assets as on 31st March 2019 (Previous year Nil)

B. Capital And Other Commitments

Estimated amount of contracts on Capital Account and other commitments remaining to be executed and not provided for in accounts Rs. Nil (Previous Year Rs. Nil)

29 Segment Information:

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Operating segments

The Management Information System of the Company identifies and monitors business of IT Equipment and IT enabled services as the business segment. The Company is managed organizationally as a single unit. In the opinion of the management, the Company primarily carries out IT and other projects in the government sector. As the basic nature of these activities are governed by the same set of risks and returns, these constitute and are grouped as a single segment. Accordingly, there is only one Reportable Segment for the Company, hence, no specific disclosures have been made.

Entity wide disclosures

A. Information about products and services

During the year, the Company primarily operates in one product line, therefore product wise revenue disclosure is not applicable.

B. Information about geographical areas

The company derives revenue from following major geographical areas:

Area	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Domestic	13,882.17	5,776.49

Domestic segment revenue includes sales and services to customers located in India.

C. Information about major customers (from external customers)

The company has derived entire revenue of Rs. 13,882.17 Lakhs (Previous Year Rs. 5,776.49 Lakhs) from one party M/s Vayam technologies Ltd.

30 Related Party Disclosure:-

I List of Related Parties:-

A. Ultimate Holding Company
Ebix Inc. USA

B. Holding Company
Ebix Software India Pvt. Ltd.

C. Enterprise having significant influence
Vayam Technologies Ltd.

D. Fellow Subsidiary of Ultimate Holding Company
Mercury Travels Limited (w.e.f. 1st July 2018)

E. Key Management Personnel

1	Mr. Jitendra Tiwari	Director
2	Mr. Sanjay Singh	Director
3	Mr. Viral Gupta (upto 24th Oct 2018)	Director
4	Mr. Jai Shankar Shukla	Director
5	Mr. Raman Singh Bhati (w.e.f. 14th Oct 2018)	Director

II Transactions with Related Parties during the year ended 31-03-2019 in the ordinary course of business.

Particulars	2018-19	2017-18
Holding Company		
Inter corporate deposit taken	14,125.18	8,915.62
Repayment of Inter corporate deposit	3,268.54	6,134.91
Interest on Inter corporate deposit	1,000.97	604.65
Management Fees	-	199.60
Enterprise having significant influence		
Sale of Goods/Services	13,882.17	5,776.49
Management Fees	-	38.49
Payment made by company on behalf of Related Party	85.78	-
Company under common control		
Services received	5.33	-

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Vayam Technologies P

Balances outstanding at the year end:		
Holding Company		
Borrowings	21,432.86	10,032.03
Interest on borrowings	900.87	544.19
Management Fees payable	981.64	945.71
Enterprise having significant influence		
Trade Receivables	17,519.18	9,421.30
Management Fees payable	166.57	252.34
Company under common control		
Amount Payable	5.33	-

The transactions with the related parties were made on normal commercial terms and conditions and at market rates.

31 Employee benefits

The provisions of Payment of Gratuity Act 1972, Payment of Bonus Act,1965, Employees' Provident Fund and Miscellaneous Provisions Act, 1952 do not apply to the Company as the number of employees in the company is below the threshold limit of the respective Acts.

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32 Financial Instruments – Fair Values And Risk Management

I. Fair Value Measurements

A. Financial Instruments By Category*

Particulars	As at 31 March 2019		As at 31 March 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Other Non-Current Financial Assets	-	2,190.67	-	2,608.64
Trade Receivables	-	17,519.18	-	9,421.30
Cash And Cash Equivalents	-	236.23	-	957.06
Bank Balances Other Than Above	-	1,102.53	-	481.43
Other Current Financial Assets	-	5,243.14	-	113.38
	-	26,291.75	-	13,581.80

*Exclude financial instruments measured at cost

Particulars	As at 31 March 2019 FVTPL	Amortised Cost	As at 31 March 2018 FVTPL	Amortised Cost
Financial Liabilities				
Borrowings	-	21,432.86	-	10,032.03
Trade Payables	-	3,423.54	-	6,120.84
Other Financial Liabilities	-	900.87	-	544.19
	-	25,757.27	-	16,697.06

B. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31 March 2019			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Other Non-Current Financial Assets	-	-	2,190.67	2,190.67
Trade Receivables	-	-	17,519.18	17,519.18
Cash And Cash Equivalents	-	-	236.23	236.23
Bank Balances Other Than Above	-	-	1,102.53	1,102.53
Other Current Financial Assets	-	-	5,243.14	5,243.14
Total financial assets	-	-	26,291.75	26,291.75
Financial Liabilities				
Borrowings	-	-	21,432.86	21,432.86
Trade Payables	-	-	3,423.54	3,423.54
Other Financial Liabilities	-	-	900.87	900.87
Total financial liabilities	-	-	25,757.27	25,757.27

Financial Assets And Liabilities Which Are Measured At Amortised Cost For Which Fair Values Are Disclosed

Particulars	As at 31 March 2018			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Other Non-Current Financial Assets	-	-	2,608.64	2,608.64
Trade Receivables	-	-	9,421.30	9,421.30
Cash And Cash Equivalents	-	-	957.06	957.06
Bank Balances Other Than Above	-	-	481.43	481.43
Other Current Financial Assets	-	-	113.38	113.38
Total Financial Assets	-	-	13,581.80	13,581.80
Financial Liabilities				
Borrowings	-	-	10,032.03	10,032.03
Trade Payables	-	-	6,120.84	6,120.84
Other Financial Liabilities	-	-	544.19	544.19
Total Financial Liabilities	-	-	16,697.06	16,697.06

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

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Valuation technique used to determine fair value
Specific valuation techniques used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31 March 2019		As at 31 March 2018	
Particulars	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Other Non-Current Financial Assets	2,190.67	2,190.67	2,608.64	2,608.64
Trade Receivables	17,519.18	17,519.18	9,421.30	9,421.30
Cash And Cash Equivalents	236.23	236.23	957.06	957.06
Bank Balances Other Than Above	1,102.53	1,102.53	481.43	481.43
Other Current Financial Assets	5,243.14	5,243.14	113.38	113.38
	26,291.75	**26,291.75**	**13,581.80**	**13,581.80**
Financial liabilities				
Borrowings	21,432.86	21,432.86	10,032.03	10,032.03
Trade Payables	3,423.54	3,423.54	6,120.84	6,120.84
Other Financial Liabilities	900.87	900.87	544.19	544.19
	25,757.27	**25,757.27**	**16,697.06**	**16,697.06**

The carrying amounts of trade receivables, cash and cash equivalents, bank balances, other currrent financial assets, trade payables, and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values

II. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:
- credit risk;
- liquidity risk; and
- market risk

Risk Management Framework
The company is exposed primarily to credit, liquidity and market risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

i. Credit Risk

Credit risk is the risk of financial loss to company if a customer or counterparty to the financial instrument fails to meet its financial obligations, and arises principally from company's receivables from customers.
Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk other than trade receivable.
The company maintains its Cash and cash equivalents and Bank Deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit rating on a timely basis.
The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 26,291.75 Lakhs as on 31.3.19 and Rs. 13,581.80 Lakhs as on 31.3.18 being the total carrying value of investments, cash & cash equivalents, bank balances and other current financial assets.

Trade Receivables
Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.
The gross carrying amount of trade receivables is Rs. 22,529.26 Lakhs as at 31st March 2019 (As at 31st March 2018 Rs. 9,421.30 Lakhs.)
During the year, the Company has made no write-offs of trade receivables. The Company management also pursues all options for recovery of dues wherever necessary based on its internal assessment. A default on a financial asset is when counterparty fails to make payments within 365 days when they fall due.

Movements in allowance for credit losses of receivables is as below:

	31 March 2019	31 March 2018
Opening balance	-	-
Changes in loss allowance calculated at life time expected credit losses	-	-
Closing balance	-	-

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ii. Liquidity risk

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

(b) Maturities of financial liabilities

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

Particulars	Carrying Amounts 31 March 2019	Contractual cash flows Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	21,432.86	21,432.86	21,432.86	-	-	-
Trade payables	3,423.54	3,423.54	3,423.54	-	-	-
Other financial liabilities	900.87	900.87	900.87	-	-	-
Total non-derivative liabilities	**25,757.27**	**25,757.27**	**25,757.27**	-	-	-

Particulars	Carrying Amounts 31 March 2018	Contractual cash flows Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	10,032.03	10,032.03	10,032.03	-	-	-
Trade payables	6,120.84	6,120.84	6,120.84	-	-	-
Other financial liabilities	544.19	544.19	544.19	-	-	-
Total non-derivative liabilities	**16,697.06**	**16,697.06**	**16,697.06**	-	-	-

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company does not have any significant Market risk.

a) Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the functional currency of the company.

Exposure to currency risk

The summary quantitative data about the company's exposure to currency risk as reported to the management of the Company is as follows:

Particulars	As at 31 March 2019 USD	As at 31 March 2018 USD
Financial asset		
Trade receivables	-	
Net exposure to foreign currency risk (assets)	-	-
Financial Liabilities		
Trade payables	36.64	81.52
Net statement of financial position exposure	**36.64**	**81.52**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at 31st March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss, net of tax Strengthening	Profit or loss, net of tax Weakening	Equity, net of tax Strengthening	Equity, net of tax Weakening
31 March 2019				
5% movement				
USD	(1.32)	1.32	(1.32)	1.32
31 March 2018				
5% movement				
USD	(2.82)	2.82	(2.82)	2.82

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

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Particulars	31-Mar-19	31-Mar-18
Fixed Rate Instruments		
Financial Assets	3,282.55	3,079.47
Financial Liabilities	21,432.86	10,032.03
	18,150.31	**6,952.57**
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	-	-
	-	-

Sensitivity analysis

Fixed rate instruments

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

Variable rate instruments

There is no variable interest rate financial instrument in the Company.

33 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Board of directors of the Company review the capital structure of the Company on an ongoing basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
Total Debt	22,333.73	10,576.22
Less : Cash and cash equivalent	236.23	957.06
Net debt	**22,097.50**	**9,619.16**
Total equity	**(297.89)**	**(55.05)**
Net debt to equity ratio	**(7,418.07)**	**(17,473.71)**

34 The figures of the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary to conform to the current year's presentation.

As per our report of even date
For T R Chadha & Co LLP
Chartered Accountants
Firm Reg No.: 006711N / N500028

T R Chadha & Co. LLP ★ NEW DELHI ★ Chartered Accountants

Hitesh Garg
Partner
M. No.: 502955

Place: Noida
Date: 26th September 2019

For and on behalf of the board of directors of
Ebix Vayam technologies Private Limited

Sanjay Singh
Director
DIN 07637953

Raman Singh Bhati
Director
DIN 07879660

Ebix Vayam Technologies Pvt. Ltd. ★

1. Reporting Entity

Ebix Vayam Technologies Private Limited (the "Company") is a Private Limited Company incorporated and domiciled in India and limited by shares. The Company is a subsidiary of Ebix Software India Pvt. Ltd. It carries out IT and other projects in the government sector. The Company has its registered office in Noida, U.P. India.

2. Significant Accounting Policies

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

a) Statement of Compliance

The Company has prepared financial statements for the year ended March 31, 2019 on a going concern basis following accrual system of accounting and comply with Indian Accounting Standards (Ind AS) as specified under Section 133 of Companies Act 2013 read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

b) Basis of preparation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

c) Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency.

d) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

e) Use of Judgment and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

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Critical Accounting Estimates

i. Useful life of Property, Plant and Equipment

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

ii. Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

iii. Income Taxes & Deferred Taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

iv. Impairment Testing

Intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

v. Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

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f) Property, plant and equipment:

i. Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed.
If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment.

Land and buildings acquired/constructed, not intended to be used in the operations of the Company are categorized as investment property.

Any gain/ loss on disposal of property, plant and equipment is recognized in Statement of Profit and loss.

ii. Subsequent Measurement

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

iii. Depreciation methods, estimated useful lives and residual value

Depreciation on fixed assets is calculated on Written down Value Method (WDV) using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell.

iv. Intangible assets

Intangible assets acquired separately are measured on initial recognition at historical cost. Intangibles assets having a finite life are subsequently carried at cost less any accumulated amortization and accumulated impairment losses. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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 or loss when the asset is derecognized.

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v. **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36- 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and its value in use. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU. Assessment is also done at each balance sheet for possible reversal of an impairment loss recognized for an asset, in prior accounting periods.

g) **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 the purpose of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instrument at fair value through Other Comprehensive Income (FVTOCI)
- Debt instrument at fair value through profit and loss (FVTPL)
- Equity Instrument 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

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(b) Contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the 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 as finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (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 solely payments of principal and interest (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 OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at Fair value through profit or loss (FVTPL)

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 classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed 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 profit and loss.

Equity Instrument measured at fair value through Other Comprehensive Income (FVTOCI)

All equity instruments 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 subsequent changes in the fair value in OCI. 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, including foreign exchange gain or loss and excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Impairment of financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with the assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12-month 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.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 "Financial Instruments" which requires expected life time losses to be recognized from initial recognition of receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables.

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At every reporting date, these historical default rates are reviewed and changes in the forward-looking estimates are analyzed.

Financial liabilities

Initial recognition and measurement

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss.

Subsequent measurement

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

Financial Liabilities measured at amortized cost

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 derecognized 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.

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.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

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

Derecognition of financial liabilities

A financial liability is derecognized 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,

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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.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

h) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

i) Revenue Recognition

The Company earns revenue primarily from sale of goods and rendering of services. With effective from 1st April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted the Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to the contracts that are not completed as at the date of initial application. The comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under the Ind AS 18 and Ind AS 11. Refer Note 2– Significant accounting policies –

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Revenue recognition in the audited financial statements of the Company for the year ended March 31, 2019, for the revenue recognition policy as per the Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Contracts involving provision of services and material
Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. Contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Revenue is measured based on the transaction price, which is the consideration as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The Company disaggregates revenue from contracts with customers by the nature of goods and services.

Interest Income
Interest income is recognized using the Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

Dividend Income
Dividend income is recognized, when the right to receive the dividend is established.

j) **Foreign currency transactions**

a. On Initial Recognition, foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

b. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on year end date.

c. Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction and carried at cost.

d. Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

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k) **Employee benefits**

a. Short term employee benefits
Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Defined contribution and benefit plans
The Company has no obligation in respect of long-term employee benefits. Further, the company has no defined contribution plan for the employees as the number of employees are less than the minimum statutory limit. Therefore, no provision has been made for the same.

l) **Borrowing Cost**

Borrowing costs consist of interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments'

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

Other borrowing costs are expensed in the period in which they are incurred.

m) **Income tax**

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

a. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:
i) Has a legally enforceable right to set off the recognized amounts; and
ii) Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognized using balance sheet approach on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. Deferred tax is not recognized for

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temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax items are recognized in correlation to underline transactions either in Other Comprehensive Income or directly in Equity.

n) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgement of the

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management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgement of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements

o) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

p) **Leases (As Lessee)**

Accounting for finance leases

Leases of property, plant and equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as property, plant and equipment and the related liability is recognized under borrowings. At the inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Accounting for operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease

q) **Operating segment**

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The Board of Directors are the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses, finance costs, income tax expenses and head office income.

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Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, head office assets and other current assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

r) **Earnings per share**

Basic earnings per equity share are computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

s) **Recent accounting pronouncements**

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019:

Ind AS 116 – Leases

On March 30, 2019, the Ministry of Corporate Affairs notified the new standard to be effective for annual periods beginning on or after 1 April 2019. Ind AS 116, on leases, requires lessees to recognize all leases on the balance sheet. Therefore, leases previously treated as operating leases will now be recognized on balance sheet. A lessee will recognize a right-of-use asset and a lease liability and will accordingly recognize depreciation and interest expense in P&L instead of lease rental recognized earlier. The company believes that there will not be any material impact of this standard on its financial statements.

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Ebix Vayam Technologies Pvt. Ltd.