

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Etechaces Marketing and Consulting Private Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Etechaces Marketing and Consulting Private Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 15 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

4. We draw your attention to Note 35 to the consolidated financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company and its subsidiaries. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/NS00016 (ICAI registration number before conversion was 012754N)



### Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements and our auditor's report thereon.
6. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 below), 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 Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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





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

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

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

#### Other Matters

14. We did not audit the financial statements of 4 subsidiaries whose financial statements reflect total assets of Rs. 1,773.95 lakhs and net assets of Rs. 1,250.02 lakhs as at March 31, 2020, total revenue of Rs. 437.23 lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (1,717.67 lakhs) and net cash flows amounting to Rs. 346.25 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other





Information insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

15. We did not audit the financial statements of 1 subsidiary located outside India, whose financial statements reflect total assets of Rs. 757.37 lakhs and net assets of Rs. 293.10 lakhs as at March 31, 2020, total revenue of Rs. 491.70 lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (620.35 lakhs) and net cash flows amounting to Rs. (4.58 lakhs) for the year ended on that date, as considered in the consolidated financial statements. These financial statements (prepared in accordance with accounting principles generally accepted in India) are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

#### **Report on Other Legal and Regulatory Requirements**

16. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) Clause (i) of section 143(3) of the Act is not applicable to the Holding Company pursuant to notification G.S.R 583(E) dated 13 June 2017. With respect to the subsidiary companies incorporated in India and to whom clause (i) of section 143(3) of the Act is applicable, namely Policybazaar Insurance Brokers Private Limited (Erstwhile, Policybazaar Web Aggregator Private Limited) and Paisabazaar Marketing and Consulting Private Limited, we have audited the standalone financial statements of those subsidiaries and issued unmodified opinion on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements, vide our reports dated June 19, 2020.





INDEPENDENT AUDITOR'S REPORT  
To the Members of Etechaces Marketing and Consulting Private Limited  
Report on the Consolidated Financial Statements

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 24(a)(iii) to the consolidated financial statements.
  - ii. The Group had long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Group did not have any long-term derivative contracts as at March 31, 2020.
  - iii. During the year ended March 31, 2020, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.
17. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

  
Sougata Mukherjee  
Partner

Membership Number: 057084  
UDIN: 20057084AAAABX3437

Place: Gurugram  
Date: June 19, 2020



**Etechaces Marketing and Consulting Private Limited**  
**Consolidated Balance Sheet**

	Notes	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4(a)	4,030.10	3,189.20
Right-of-use assets	4(b)	10,133.15	-
Intangible assets	5	568.43	199.33
<b>Financial assets</b>			
(i) Loans	6(b)	560.48	1,034.95
(ii) Other financial assets	6(f)	31.25	21.25
Current Tax Assets (Net)	7	10,642.57	7,632.58
Other non-current assets	8	539.89	708.04
<b>Total non-current assets</b>		<b>26,505.87</b>	<b>12,785.35</b>
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Investments	6(a)	198.66	12,524.62
(ii) Trade receivables	6(c)	8,771.96	10,946.22
(iii) Cash and cash equivalents	6(d)	85,216.59	10,689.55
(iv) Bank balances other than (iii) above	6(e)	25,171.98	16,022.22
(v) Loans	6(b)	740.78	30.16
(vi) Other financial assets	6(f)	9,363.10	2,216.50
Other current assets	9	1,630.87	1,633.33
<b>Total current assets</b>		<b>1,31,093.94</b>	<b>54,062.60</b>
<b>Total assets</b>		<b>1,57,599.81</b>	<b>66,847.95</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	10 (a)	3.80	3.80
Instruments entirely equity in nature	10 (b)	107.08	83.87
<b>Other Equity</b>			
Reserves and surplus	10 (c)	1,26,473.84	49,202.59
<b>Total equity</b>		<b>1,26,584.72</b>	<b>49,290.26</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Lease liabilities	4(b)	9,348.58	-
(ii) Other financial liabilities	11 (b)	-	237.60
Employee benefit obligations	12	1,361.60	922.11
Other non-current liabilities	13	-	25.85
<b>Total non-current liabilities</b>		<b>10,710.18</b>	<b>1,185.56</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Lease liabilities	4(b)	1,495.65	-
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	11 (a)	921.15	297.88
(b) total outstanding other than (ii) (a) above	11 (a)	10,872.00	10,804.27
(iii) Other financial liabilities	11(b)	3,649.63	2,934.59
Employee benefit obligations	12	1,362.10	998.60
Other current liabilities	13	2,004.38	1,336.79
<b>Total current liabilities</b>		<b>20,304.91</b>	<b>16,372.13</b>
<b>Total liabilities</b>		<b>31,015.09</b>	<b>17,557.69</b>
<b>Total equity and liabilities</b>		<b>1,57,599.81</b>	<b>66,847.95</b>

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

This is the Consolidated Balance Sheet referred to in our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

Sougata Mukherjee  
Partner  
Membership No. 057084

**For and on behalf of the Board of Directors**

Sarbjit Singh  
Director  
DIN : 00509959

Alok Bansal  
Director  
DIN : 01653526

Blasker Joshi  
Company Secretary  
M. No. F8032



Place: Gurugram  
Date: June 19, 2020

Place: Noida  
Date: June 19, 2020

Place: Gurugram  
Date: June 19, 2020

Place: Gurugram  
Date: June 19, 2020




**Etechaces Marketing and Consulting Private Limited**  
**Consolidated Statement of Profit and Loss**

	Notes	Year ended March 31, 2020 (Rs. in Lakhs)	Year ended March 31, 2019 (Rs. in Lakhs)
Revenue from operations	14	77,129.73	49,224.49
Other income	15	8,426.54	3,656.21
<b>Total income</b>		<b>85,556.27</b>	<b>52,880.70</b>
<b>Expenses:</b>			
Employee benefit expense	16	52,084.94	39,762.28
Depreciation and amortisation expense	17	4,729.48	1,188.55
Advertising and promotion expenses	18	44,521.66	34,585.40
Network, internet and other direct expenses	19	5,075.15	3,172.78
Administration and other expenses	20	7,437.15	7,652.68
Finance costs	21	1,191.99	1.25
<b>Total expenses</b>		<b>1,15,040.37</b>	<b>86,362.94</b>
<b>Loss before tax</b>		<b>(29,484.10)</b>	<b>(33,482.24)</b>
<b>Income tax expense :</b>			
Current Tax	22(a)	918.81	-
Tax related to earlier years	22(a)	-	(4.91)
Deferred tax	22(b)	-	943.02
<b>Total tax expense</b>		<b>918.81</b>	<b>938.11</b>
<b>Loss for the year</b>		<b>(30,402.91)</b>	<b>(34,420.35)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss</b>			
Exchange differences on translation of foreign operations	10 (c)	46.52	(38.37)
Income tax relating to these items		-	-
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of post employment benefit obligations [Gain/(Loss)]	12	42.79	(88.46)
Income tax relating to these items		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>89.31</b>	<b>(126.83)</b>
<b>Total comprehensive income for the year</b>		<b>(30,313.60)</b>	<b>(34,547.18)</b>
Earnings per equity share: [Nominal value per share Rs.10/- (March 31, 2019: Rs.10/-)]			
Basic (in Rs.)	26	(19,410.78)	(25,624.30)
Diluted (in Rs.)	26	(19,410.78)	(25,624.30)

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.



**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

  
Sougata Mukherjee  
Partner  
Membership No. 057084

**For and on behalf of the Board of Directors**

  
Sarbvir Singh  
Director  
DIN : 00509959

  
Alok Bansal  
Director  
DIN : 01653526

  
  
Bhasker Joshi  
Company Secretary  
M. No. F8032

Place: Gurugram  
Date: June 19, 2020

Place: Noida  
Date: June 19, 2020

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Date: June 19, 2020



I) Equity share capital

(Rs. in Lakhs)		
Particulars	Notes	Amount
As at April 1, 2018		3.61
Changes in equity share capital	10 (a)	0.19
As at March 31, 2019		3.80
Changes in equity share capital*	10 (a)	0.00
As at March 31, 2020		3.80

\* Amount is below the rounding off norm adopted by the Company

II) Instruments entirely equity in nature (cumulative compulsorily convertible preference shares)

(Rs. in Lakhs)		
Particulars	Notes	Amount
As at April 1, 2018		83.87
Changes in preference share capital	10 (b)	-
As at March 31, 2019		83.87
Changes in preference share capital	10 (b)	23.21
As at March 31, 2020		107.08

III) Other equity

Reserves and surplus						
(Rs. in Lakhs)						
Particulars	Notes	Securities premium	Retained earnings	Equity settled share based payment reserve	General Reserve	Foreign currency translation reserve
Balance as at March 31, 2018		1,02,705.20	(28,505.48)	4,491.79	1.73	(0.85)
Loss for the year	10 (c)	-	(34,420.35)	-	-	-
Other comprehensive income	10 (c)	-	(88.46)	-	-	(38.37)
Total comprehensive income for the year		-	(34,508.81)	-	-	(38.37)
Transactions with owners in their capacity as owners:						
Exercise of options- transferred from Equity settled share based payment reserve		290.13	-	-	-	-
Employee share-based payment expense	16	-	-	5,057.38	-	-
Transfer to Securities Premium for exercise of options	16	-	-	(290.13)	-	-
Issue of equity shares	10 (c)	-	-	-	-	-
Balance as at March 31, 2019		1,02,995.33	(63,014.29)	9,259.04	1.73	(39.22)
Loss for the year	10 (c)	-	(30,402.91)	-	-	-
Other comprehensive income	10 (c)	-	42.79	-	-	46.52
Total comprehensive income for the year		-	(30,360.12)	-	-	46.52
Transactions with owners in their capacity as owners:						
Exercise of options- transferred from Equity settled share based payment reserve		176.87	-	-	-	-
Employee share-based payment expense	16	-	-	1,667.56	-	-
Transfer to Securities Premium for exercise of options	10 (c)	-	-	(176.87)	-	-
Issue of equity shares	10 (a)	1,05,917.29	-	-	-	-
Balance as at March 31, 2020		2,09,089.49	(93,374.41)	10,749.73	1.73	7.30

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Sougata Mukherjee  
Partner  
Membership No. 057084

For and on behalf of the Board of Directors

Sarbjit Singh  
Director  
DIN : 00509959

Alok Bansal  
Director  
DIN : 01653526

Bhasker Joshi  
Company Secretary  
M. No. F8032



Place: Gurugram  
Date: June 19, 2020

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**Etechaces Marketing and Consulting Private Limited**  
**Consolidated Statement of cash flows**

Particulars	Notes	March 31, 2020 (Rs. in Lakhs)	March 31, 2019 (Rs. in Lakhs)
<b>Cash flow from operating activities</b>			
Loss before income tax		(29,484.10)	(33,482.24)
Adjustments for:			
Depreciation and amortization expense	17	4,729.48	1,188.55
Loss on disposal of property, plant and equipment	20	-	5.46
Profit on sale of fixed assets	15	(0.95)	-
Gain on sale of investments	15	(7,057.83)	(3,432.18)
Provisions for doubtful debts	20	219.35	352.86
Provisions for litigations	20	-	25.85
Provision for doubtful advances	20	45.68	23.90
Foreign Exchange Fluctuations	15	2.39	(1.17)
Income from shared resources	15	(116.50)	-
Liability no longer required written back	15	-	0.57
Unwinding of discount on security deposits	15	(73.97)	77.20
Income accrued but not due	15	(2.69)	(29.41)
Interest income classified as investing cash flow	15	(853.24)	(90.56)
Interest income from tax refund	15	(17.44)	(0.49)
Lease liabilities written back (net)	15	(97.44)	-
Provision no longer required written back	15	(201.95)	-
Interest expense	21	1,191.99	-
Changes in fair value of financial assets at fair value through profit or loss	15	(4.53)	(24.63)
Employee share-based payment expense	25(b)	1,667.56	5,057.38
<b>Change in operating assets and liabilities</b>			
(Increase)/Decrease in trade receivables	6(c)	2,156.85	(1,693.24)
Increase/(Decrease) in trade payables	11(a)	679.73	6,421.76
(Increase)/Decrease in other non-current assets	8	168.15	(571.57)
Increase/(Decrease) in other non-current liabilities	13	(25.85)	-
Increase/(Decrease) in other current financial liabilities	11(b)	715.05	1,482.03
(Increase)/Decrease in other current assets	9	(43.23)	(381.60)
(Increase)/Decrease in current tax assets	7	-	-
(Increase)/Decrease in loans-current	6(b)	(710.60)	(11.52)
(Increase)/Decrease in other current financial assets	6(f)	(7,146.60)	(1,911.18)
(Increase)/Decrease in other non-current financial assets	6(i)	(10.00)	(0.50)
Increase/(Decrease) in employee benefit obligations	12	845.78	928.61
Increase/(Decrease) in other current liabilities	13	667.59	(615.39)
(Increase)/Decrease in loans-non-current	6(b)	548.44	(398.82)
Increase/(Decrease) in other non-current financial liabilities	11(b)	(237.60)	33.61
(Increase)/Decrease in other bank balances	6(e)	(9,149.77)	(14,973.19)
<b>Cash outflow from operations</b>		<b>(41,596.23)</b>	<b>(42,019.92)</b>
Income taxes paid	7	(3,928.80)	(3,527.89)
<b>Net cash outflow from operating activities</b>		<b>(45,525.03)</b>	<b>(45,547.81)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4,5	(3,245.07)	(3,506.25)
Purchase of current investments	6(a)	(2,27,258.65)	(12,500.00)
Proceeds from sale of current investments	6(a)	2,46,525.34	68,408.10
Interest received	15	855.93	119.97
Exchange Fluctuations	15	(2.39)	1.17
<b>Net cash inflow from investing activities</b>		<b>16,875.15</b>	<b>52,522.99</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	10 (a)	1,05,940.49	0.19
Principal elements of lease payments	4(b)	(1,764.99)	-
Interest elements of lease payments	4(b)	(1,045.09)	-
<b>Net cash inflow from financing activities</b>		<b>1,03,130.41</b>	<b>0.19</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>74,480.52</b>	<b>6,975.37</b>
Cash and cash equivalents at the beginning of the financial year	6(d)	10,689.55	3,752.56
Effects of exchange rate changes on cash and cash equivalents	10 (c)	46.52	(38.37)
<b>Cash and cash equivalents at end of the year</b>		<b>85,216.59</b>	<b>10,689.55</b>
<b>Reconciliation of cash and cash equivalents as per cash flow statement</b>			
<b>Cash and cash equivalents as per above comprise of the following:</b>			
		March 31, 2020 (Rs. in Lakhs)	March 31, 2019 (Rs. in Lakhs)
Balances with Bank - in current account (Refer note-6(d))		8,208.14	6,184.41
Cash on hand (Refer note-6(d))		38.94	5.14
Cheques on hand		69.51	-
Deposits with maturity of less than 3 months (Refer note-6(d))		76,900.00	4,500.00
<b>Balances per statement of cash flows</b>		<b>85,216.59</b>	<b>10,689.55</b>

**Notes:**

- The above Consolidated Statement of Cash Flows has been prepared under the Indirect Method as set out in the Indian Accounting Standard [Ind AS - 7 on "Statement of Cash Flows"].
- The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.
- Figures in brackets indicate cash outflow.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Cash Flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP  
 Firm Registration Number: 012754N/N500016

Sougata Mukherjee  
 Partner  
 Membership No. 057084

For and on behalf of the Board of Directors

Sarvjit Singh  
 Director  
 DIN : 00509959

Alok Bansal  
 Director  
 DIN : 01653526

Bhaskar Joshi  
 Company Secretary  
 M. No. F8032

Place: Gurugram  
 Date: June 19, 2020

Place: Noida  
 Date: June 19, 2020

Place: Gurugram  
 Date: June 19, 2020

Place: Gurugram  
 Date: June 19, 2020



## **Etechaces Marketing and Consulting Private Limited**

### **Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2020**

#### **Note 1: General Information**

Etechaces Marketing and Consulting Private Limited ("the Company" or "Etechaces") is a private limited Company incorporated on 4th June 2008 under the provisions of the Companies Act, 1956 having its registered office at Plot no.119, Sector 44, Gurugram, Haryana. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group').

The Group is primarily engaged in providing online marketing, consulting and support services through its online portal policybazaar.com and paisabazaar.com largely for the financial service industry, including insurance.

#### **Note 2: Significant Accounting Policies**

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

##### **2.1 Basis of preparation of consolidated financial statements**

The principal accounting policies applied in the preparation of consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

##### **a. Compliance with IND AS**

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

##### **b. Historical Cost Convention**

The consolidated financial statements have been prepared on the historical cost basis, except for the following items:

- Certain financial assets measured at fair value;
- Defined benefit plans - plan assets measured at fair value; and
- Share based payments

##### **c. Principles of Consolidation – Subsidiaries**

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully considered from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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**d. Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per 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 products and the time between acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**e. New and amended standards adopted by the Group**

The Group has applied the Ind AS 116, "Leases" for the first time for their annual reporting period commencing 1 April 2019. Refer note 2.1(m) for change its accounting policies for adoption of Ind AS 116.

**f. Property, plant and equipment**

All items of property, plant and equipment are carried at cost less accumulated depreciation / amortization and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is recognised so as to write off the cost of assets less their residual values over the useful lives, using the straight line method. The useful lives have been determined based on technical evaluation done by the management's expert which in some cases are different as those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

The residual values of the assets are assessed to be nil. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

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The useful lives of assets have been considered as follows:

Description	Useful life
Computers	3 years
Furniture & Fixtures*	7 years
Office Equipment*	3 years
Lease Hold Improvements	Period of Lease or 3 years whichever is earlier

\* For these class of assets, based on internal assessment the management believes that the useful lives as given above best represents the period over which the management expects to use these assets. Hence, useful lives of these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

#### **g. Intangible assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

The Company has software licenses under intangible assets which are amortized over a period of 3 years.

#### **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

#### **h. Impairment of assets**

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.





## **i. Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a promised service to a customer.

### **Sale of services**

The Company earns revenue from services as described below:

- 1) Online marketing and consulting services
- 2) Marketing support services
- 3) Commission on web aggregation of financial products
- 4) IT Support Services
- 5) Sale of Leads
- 6) Telemarketing services
- 7) Outsourcing services
- 8) Product Listing Services
- 9) Rewards
- 10) Investment advisory fees

Revenue from above services is recognized when the control in services is transferred as per the terms of the agreement with customer. Revenues are disclosed net of the Goods and Service tax charged on such services. In terms of the contract, excess of revenue over the billed at the year-end is carried in the balance sheet as unbilled revenue under other financial assets where the amount is recoverable from the customer without any future performance obligation. Cash received before the services are delivered is recognised as a contract liability, if any.

Revenue from above services is recognized in the accounting period in which the services are rendered. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

## **j. Foreign currency transactions**

### **Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency') i.e. Indian rupee (INR), which is Etechaces Marketing and Consulting Private Limited's functional and presentation currency.

### **Transactions and balances**

**Initial recognition:** On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transactions.

**Subsequent recognition:** As at the reporting date, foreign currency monetary items are translated using the closing rate and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange gains and losses arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous financial statements are recognised in profit or loss in the year in which they arise.



**Translation of foreign operations:** The financial statements of foreign operations are translated using the principles and procedures mentioned above, since these businesses are carried on as if it is an extension of the Company's operations.

#### **Group Companies:**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates
- All resulting exchange differences are recognised in other comprehensive income

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

#### **k. Employee benefits**

Employee benefits include Provident Fund, Employee State Insurance scheme, Gratuity, Compensated absences and Share based payments.

##### **i) Defined contribution plans**

The Company's contributions to Provident Fund and Employee State Insurance scheme are considered as contribution to defined contribution plan and charged as an expense based on the amount of contributions required to be made as and when services are rendered by the employees.

##### **ii) Defined benefit plans**

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan asset (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined liability or asset.

##### **iii) Short-term obligations**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the services.

These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.





The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences;
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### iv) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations in relation to compensated absences are presented as current liabilities in the balance sheet as the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

#### v) Share-based payments

The Group operates a number of equity settled, employee share based compensation plans, under which the Group receives services from employees as consideration for equity shares of the Company. The Group has granted stock options to its employees.

The fair value of the employees services received in exchange for the grant of the options is determined by reference to the fair value of the options as at the Grant Date and is recognised as an 'employee benefits expenses' with a corresponding increase in equity. The total expense is recognised over the vesting period which is the period over which the applicable vesting condition is to be satisfied. The total amount to be expensed is determined by reference to the fair value of the options granted:

1. including any market performance conditions (e.g., the entity's share price)
2. excluding the impact of any service and non-market performance vesting conditions, and
3. including the impact of any non-vesting conditions

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

#### I. Treasury shares (Shares held by the ESOP Trust)

The Company has created an Employee Stock Option Plan Trust (ESOP Trust) for providing share-based payment to its employees. The Company uses Trust as a vehicle for transferring shares to employees under the employee remuneration schemes. The Company allots shares to ESOP Trust.

The Company treats ESOP trust as its extension and shares held by ESOP Trust are treated as treasury shares. Share options exercised during the reporting period are satisfied with treasury shares.

The consideration paid for treasury shares including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or





reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from retained earnings.

#### **m. Leases**

(Till March 31, 2019)

*As a lessee*

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 leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effect from April 01, 2019:

The Group has applied Ind AS 116 for the first time for the annual reporting period commencing April 1, 2019.

***Group Company as a lessee:***

From April 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group Company. Contracts may contain both lease and non-lease components.

##### **Lease liabilities:**

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost.

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

##### **Right to use of assets:**

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease





liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right to use assets are depreciated over the asset's lease term on a straight-line basis.

**Short term leases and leases of low value assets:**

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment and small value of building.

**n. Earnings per share (EPS)**

Basic earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares, except where results are anti-dilutive.

**o. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short term, highly liquid investments 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 change in value.

**p. Income Taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that tax profits will be available against which those deductible temporary differences can be utilized.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.





Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### q. Provisions and contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a result of 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. 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 recognised as interest expense. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

##### Contingent liabilities and contingent assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent assets are not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. A contingent asset is disclosed, where an inflow of economic benefits is probable. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

#### r. 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

###### Classification:

The Company classifies its financial assets in the following measurement categories

- those to be measured subsequently at fair value (either through other comprehensive income or through profit and loss), and
- those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

###### Initial Recognition:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.





**Subsequent measurement:**

After initial measurement, financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the profit or loss.

Financial assets at fair value through other comprehensive income are carried at fair value at each reporting date. Fair value changes are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss.

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the statement of profit and loss.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instruments that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ (expenses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other income in the period in which it arises. Interest income from these financial assets is included in other income.

**Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30 details how the Company determines whether there has been a significant increase in credit risk.





For trade receivables only, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### **Derecognition of financial assets**

A financial asset is derecognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### **Income recognition**

#### **Interest income**

Interest income from fixed deposits is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

### **s. Financial liabilities and equity instruments**

#### **Initial recognition and measurement**

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

#### **Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

#### **De-recognition of financial liabilities**

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

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## Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of any entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### t. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency.

### u. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer Note 30.

### v. Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III (Division II), unless otherwise stated.

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### Note 3: Critical estimates and Judgements

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.


This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

#### Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimated useful life of tangible assets – Management reviews its estimate of the useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economy obsolescence that may change the utility of property, plant and equipment.
- Estimation of defined benefit obligation – Refer Note 12
- Recognition of deferred tax assets for carried forward tax losses – Refer Note 22(b)
- Leases – Refer Note 34

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.





**Note 4 (a) : Property, plant and equipment**

Particulars	Computers	Office Equipment	Furniture & Fixtures	Leasehold Improvements	(Rs. in Lakhs) Total
<b>Year ended March 31, 2019</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount	1,227.74	259.58	144.65	249.62	1,881.59
Additions	1,726.95	261.71	451.64	898.58	3,338.88
Disposals	(300.15)	(38.71)	(14.15)	-	(353.01)
<b>Closing gross carrying amount</b>	<b>2,654.54</b>	<b>482.58</b>	<b>582.14</b>	<b>1,148.20</b>	<b>4,867.46</b>
<b>Accumulated Depreciation</b>					
Opening accumulated depreciation	589.83	144.78	99.93	71.14	905.68
Depreciation charge during the year	677.99	121.37	53.00	267.77	1,120.13
Disposals	(295.04)	(38.36)	(14.15)	-	(347.55)
<b>Closing accumulated depreciation</b>	<b>972.78</b>	<b>227.79</b>	<b>138.78</b>	<b>338.91</b>	<b>1,678.26</b>
<b>Net carrying amount</b>	<b>1,681.76</b>	<b>254.79</b>	<b>443.36</b>	<b>809.29</b>	<b>3,189.20</b>
<b>Year ended March 31, 2020</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount	2,654.54	482.58	582.14	1,148.20	4,867.46
Additions	1,668.92	157.96	263.21	575.84	2,665.93
Disposals	-	(4.17)	-	-	(4.17)
<b>Closing gross carrying amount</b>	<b>4,323.46</b>	<b>636.37</b>	<b>845.35</b>	<b>1,724.04</b>	<b>7,529.22</b>
<b>Accumulated Depreciation</b>					
Opening accumulated depreciation	972.78	227.79	138.78	338.91	1,678.26
Depreciation charge during the year	1,076.94	164.19	96.72	487.18	1,825.03
Disposals	-	(4.17)	-	-	(4.17)
<b>Closing accumulated depreciation</b>	<b>2,049.72</b>	<b>387.81</b>	<b>235.50</b>	<b>826.09</b>	<b>3,499.12</b>
<b>Net carrying amount</b>	<b>2,273.74</b>	<b>248.56</b>	<b>609.85</b>	<b>897.95</b>	<b>4,030.10</b>



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**Note 4(b) : Leases**

This note provides information for the leases where the Company is a lessee. The Company has taken various offices and office furnitures on lease. Rental Contracts are typically made for fixed periods of 1 year to 5 years, but may have extension options as described in (iv) below.

**(i) Amount recognised in balance sheet**

The balance sheet shows the following amount relating to leases:

Particulars	(Rs. in Lakhs)		
	Right-of-use assets - Office premises	Right-of-use assets - Furnitures & Office Equipments	Total
<b>Year ended March 31, 2020</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount (as at April 1, 2019 - on transition to Ind AS 116)	8,619.12	238.03	8,857.15
Additions	5,349.26	-	5,349.26
Disposals	(1,379.80)	-	(1,379.80)
<b>Closing gross carrying amount</b>	<b>12,588.58</b>	<b>238.03</b>	<b>12,826.61</b>
<b>Accumulated depreciation</b>			
Opening accumulated depreciation	-	-	-
Depreciation charge during the year	2,574.44	119.02	2,693.46
Disposals	-	-	-
<b>Closing accumulated depreciation</b>	<b>2,574.44</b>	<b>119.02</b>	<b>2,693.46</b>
<b>Net carrying amount</b>	<b>10,014.14</b>	<b>119.01</b>	<b>10,133.15</b>

**(b) Lease liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Current	1,495.65	-
Non current	9,348.58	-
<b>Total</b>	<b>10,844.23</b>	<b>-</b>

**(ii) Amounts recognised in statement of profit and loss**

The statement of profit or loss shows the following amount relating to leases

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Depreciation charge on right of use assets (Refer note 17):		
- Office premises	2,574.44	-
- Furnitures & Office Equipments	119.02	-
<b>Total (a)</b>	<b>2,693.46</b>	<b>-</b>
(b) Interest expense (included in finance cost, refer Note 21)	1,180.73	-
(c) Expense relating to short term leases (included in rent under other expenses, refer Note 20)	17.03	-
<b>Total (a+b+c)</b>	<b>3,891.22</b>	<b>-</b>

(iii) The total cash outflow for leases for the year ended March 31, 2020 was INR 2,810.08 Lakhs.

**(iv) Extension and termination options:-**

Extension and termination options are included in a number of leases. These are used to maximize operational flexibility in terms of managing the assets used in the group's operations. The extension and termination options held are exercisable by both the Company and the respective lessor.

**(v) Critical judgements in determining the lease term:-**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).





For leases of office premises, the following factors are normally the most relevant:

- a) If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- b) If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- c) Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in office leases have been included in the lease liability, because the Company could not replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

During the current financial year, the financial impact of revising the lease terms to reflect the effect of exercising extension and termination options was a net decrease in recognised assets and liabilities and right-to use of assets of Rs. 1,477.24 Lakhs and Rs. 1,379.80 Lakhs respectively. The difference of Rs. 97.44 Lakhs has been recognised as Other Income (refer Note 15).

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**Note 5 : Intangible assets**

Particulars	(Rs. in Lakhs)	
	Computer Software	Total
<b>Year ended March 31, 2019</b>		
<b>Gross carrying amount</b>		
Opening gross carrying amount	261.60	261.60
Additions	167.37	167.37
Disposals	(54.91)	(54.91)
<b>Closing gross carrying amount</b>	<b>374.06</b>	<b>374.06</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation	161.22	161.22
Amortisation charge during the year	68.42	68.42
Disposals	(54.91)	(54.91)
<b>Closing accumulated amortisation</b>	<b>174.73</b>	<b>174.73</b>
<b>Closing net carrying amount</b>	<b>199.33</b>	<b>199.33</b>
<b>Year ended March 31, 2020</b>		
<b>Gross carrying amount</b>		
Opening gross carrying amount	374.06	374.06
Additions	580.09	580.09
Disposals	(112.95)	(112.95)
<b>Closing gross carrying amount*</b>	<b>841.20</b>	<b>841.20</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation	174.73	174.73
Amortisation charge during the year	210.99	210.99
Disposals	(112.95)	(112.95)
<b>Closing accumulated amortisation</b>	<b>272.77</b>	<b>272.77</b>
<b>Closing net carrying amount</b>	<b>568.43</b>	<b>568.43</b>

\* Includes Rs. 102.23 lakhs (March 31, 2019 - Rs. 64.40 lakhs) for a software purchased for "Human capital management and payroll solutions", which has not been put to use till March 31, 2020. This software has not been amortised till March 31, 2020.








**Note 6 : Financial assets**

**Note 6(a) : Current Investments**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Units	(Rs. in Lakhs)	No. of Units	(Rs. in Lakhs)
<b>Investment in mutual funds</b>				
<b>Quoted</b>				
L&T India Liquid Fund - Direct - Growth	6,540.65	198.66	39,080.85	1,001.50
Franklin India Savings Fund Retail Option - Direct - Growth Plan	-	-	28,52,798.45	1,002.42
HDFC Money Market Fund-Direct Plan -Growth Option	-	-	38,363.82	1,503.48
DHFL Pramerica Insta Cash Fund - Direct Plan - Growth	-	-	3,30,326.04	802.66
Aditya Birla Sun Life Money Manager Fund Growth Direct Plan	-	-	3,98,259.61	1,002.43
Invesco India Money Market Fund-Direct Plan Growth option	-	-	46,133.65	1,001.20
Reliance Liquid Fund - Direct Plan Growth Plan - Growth option	-	-	21,952.60	1,001.45
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	5,77,807.57	1,503.24
Aditya Birla Sunlife Liquid Fund Growth - Direct Plan	-	-	3,33,211.82	1,001.09
Reliance Mutual Fund Direct Plan Growth Option	-	-	26,343.12	1,201.74
Axis Treasury Advantage Fund - Direct Growth	-	-	70,065.64	1,503.41
<b>Total current investments</b>		<b>198.66</b>		<b>12,524.62</b>
<b>Aggregate amount of quoted investments and market value thereof</b>		<b>198.66</b>		<b>12,524.62</b>
<b>Aggregate amount of unquoted investments</b>		<b>-</b>		<b>-</b>
<b>Aggregate amount of impairment in the value of investments</b>		<b>-</b>		<b>-</b>

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**Note 6 : Financial assets****Note 6 (b) : Loans**

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Security deposits	560.48	1,034.95
<b>Total</b>	<b>560.48</b>	<b>1,034.95</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Loan to employees	57.67	27.66
Security deposits	683.11	2.50
<b>Total</b>	<b>740.78</b>	<b>30.16</b>

**Note 6(c) : Trade receivables**

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
Trade receivables	9,256.12	11,386.72
Less: Loss allowance	(484.16)	(440.50)
<b>Total</b>	<b>8,771.96</b>	<b>10,946.22</b>
Current portion	8,771.96	10,946.22
Non- Current portion	-	-

**Break-up of security details**

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	8,771.96	10,946.22
Trade receivables - credit impaired	484.16	440.50
<b>Total</b>	<b>9,256.12</b>	<b>11,386.72</b>
Loss allowance	(484.16)	(440.50)
<b>Total</b>	<b>8,771.96</b>	<b>10,946.22</b>

**Note 6(d) : Cash and cash equivalents**

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
Balances with bank		
- in current accounts	8,208.14	6,184.41
Cheques on hand	69.51	-
Deposits with maturity of less than 3 months	76,900.00	4,500.00
Cash on hand	38.94	5.14
<b>Total</b>	<b>85,216.59</b>	<b>10,689.55</b>

**Note 6(e) : Other Bank Balances**

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
Balances in fixed deposit accounts with original maturity more than 3 months but less than 12 months*	25,171.98	16,022.22
<b>Total</b>	<b>25,171.98</b>	<b>16,022.22</b>

\* Includes fixed deposits of Rs. 141.64 Lakhs (March 31, 2019 Rs. 141.64 Lakhs) under lien

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**Note 6(f) : Other financial assets**

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
<b>Current</b>		
Unbilled revenue	9,105.14	2,182.82
Interest accrued but not due	174.97	23.84
Others	82.99	9.84
<b>Total other financial assets</b>	<b>9,363.10</b>	<b>2,216.50</b>
<b>Non-Current</b>		
Deposits with insurance companies	21.25	21.25
Balances in fixed deposit accounts with original maturity with more than 12 months*	10.00	-
	<b>31.25</b>	<b>21.25</b>

\* fixed deposits under lien

**Note 7 : Current tax assets (Net)**

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
Advance income tax (net of provision Rs. 918.81 lakhs, March 31, 2019: Nil)	10,642.57	7,632.58
<b>Total</b>	<b>10,642.57</b>	<b>7,632.58</b>

**Note 8 : Other non-current assets**

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
Capital advances	2.00	-
Balance with government authorities	532.21	540.89
Prepaid - Rent	2.29	122.79
- Others	2.95	44.36
Other non-current assets	0.44	-
<b>Total</b>	<b>539.89</b>	<b>708.04</b>

**Note 9 : Other current assets**

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
Advance to vendors	158.76	97.78
Less: Loss Allowance	(69.58)	(23.90)
Balance with Government Authorities	1,242.90	1,163.37
Prepaid		
- Rent	8.76	169.93
- Other Expense	269.13	218.80
Others	20.90	7.34
<b>Total</b>	<b>1,630.87</b>	<b>1,633.33</b>

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## Equity

### Note 10 (a): Equity share capital

#### Authorised equity share capital

	Number of shares	Amount (Rs. In Lakhs)
As at April 01, 2018	1,00,000	10.00
Increase during the year	-	-
<b>As at March 31, 2019</b>	<b>1,00,000</b>	<b>10.00</b>
Increase during the year	-	-
<b>As at March 31, 2020</b>	<b>1,00,000</b>	<b>10.00</b>

#### (i) Movements in equity share capital

	Number of shares	Amount (Rs. In Lakhs)
As at April 01, 2018	36,073	3.61
Add: Shares issued during the year	1,944	0.19
<b>As at March 31, 2019</b>	<b>38,017</b>	<b>3.80</b>
As at April 01, 2019	38,017	3.80
Add: Shares issued during the year*	10	0.00
<b>As at March 31, 2020</b>	<b>38,027</b>	<b>3.80</b>

\* Amount is below the rounding off norm adopted by the Company

#### (ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### (iii) Details of shareholders holding more than 5% shares in the company

	March 31, 2020		March 31, 2019	
	Number of shares	% holding	Number of shares	% holding
Equity Shares:				
Makesense Technologies Limited	11,950.00	31.43%	11,950.00	31.43%
Yashish Dahiya	4,303.00	11.32%	4,428.00	11.65%
Etechaces Employees Stock Option Plan Trust	13,493.00	35.48%	13,766.00	36.21%
Tiger Global Eight Holdings	3,041.00	8.00%	3,041.00	8.00%
	<b>32,787.00</b>	<b>86.22%</b>	<b>33,185.00</b>	<b>87.29%</b>

(iv) There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

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## Equity

### Note 10 (b): Instruments entirely equity in nature (cumulative compulsorily convertible preference shares)

#### Authorised preference share capital

	Number of shares	Amount (Rs. In Lakhs)
As at April 01, 2018	1,90,000	190.00
Increase during the year	-	-
As at March 31, 2019	1,90,000	190.00
Increase during the year	-	-
As at March 31, 2020	1,90,000	190.00

#### (i) Movements in preference share capital

	Number of shares	Amount (Rs.)
As at April 01, 2018	83,870.00	83.87
Add: Shares issued during the year	-	-
As at March 31, 2019	83,870.00	83.87
As at April 01, 2019	83,870.00	83.87
Add: Shares issued during the year	23,205.00	23.21
As at March 31, 2020	1,07,075.00	107.08

#### (ii) Rights, preferences and restrictions attached to shares

The Company has issued 1,07,075, 0.1% cumulative compulsorily convertible preference shares ('CCCPs'), Series A, Series B, Series C, Series D, Series E and Series F of Rs. 100 per share. These shares being mandatorily convertible along with other terms and conditions qualify as entirely equity in nature in accordance with Ind AS 32. Following are the terms and conditions of the instrument:

- Voting right of cumulative compulsorily convertible preference shareholders are the same as that of equity shareholders and each holder of cumulative compulsorily convertible preference shares is entitled to one vote per share.
- In addition to and after payment of the Preferential Dividend, each Series A, Series B, Series C, Series D, Series E and Series F Preference Share would be entitled to participate pari passu in any dividends paid to the holders of shares of any other class (including Equity Shares) or series on a pro rata, as-if-converted basis.
- The preferential dividend is payable at the rate of 0.1% per annum.
- The Preferential Dividend @ 0.1% per annum is cumulative and shall accrue from year to year whether or not paid, and accrued dividends shall be paid in full (together with dividends accrued from prior years) prior and in preference to any dividend or distribution payable upon Shares of any other class or series in the same fiscal year.

#### (iii) Details of shareholders holding more than 5% shares in the Company

	March 31, 2020		March 31, 2019	
	Number of shares	% holding	Number of shares	% holding
<b>Preference Shares:</b>				
Inventus Capital Partners Fund II, Limited *	2,570.00	2.40%	5,145.00	6.13%
Claymore Investment (Mauritius) Pt. Ltd	10,290.00	9.61%	10,290.00	12.27%
Internet Fund III Pte. Ltd *	5,154.00	4.81%	12,336.00	14.71%
Tiger Global Eight Holdings *	4,572.00	4.27%	15,166.00	18.08%
PI Opportunities Fund – II	6,200.00	5.79%	6,200.00	7.39%
Makesense Technologies Limited	12,006.00	11.21%	12,006.00	14.32%
Diphda Internet Services Limited	7,548.00	7.05%	-	0.00%
SVF India Holdings (Cayman) Limited	10,371.00	9.69%	-	0.00%
Tencent Cloud Europe B.V.	15,066.00	14.07%	-	0.00%
SVF Python II (Cayman) Limited	7,291.00	6.81%	-	0.00%
<b>Total</b>	<b>81,068.00</b>	<b>75.71%</b>	<b>61,143.00</b>	<b>72.90%</b>

\* Shareholding % of Inventus Capital Partners Fund II, Limited; Internet Fund III Pte. Ltd and Tiger Global Eight Holdings has reduced to less than 5 % in FY 2019-20.

#### (iv) Terms of conversion for cumulative compulsorily convertible preference shares

- The Company has issued 107,075 cumulative compulsorily convertible preference shares upto March 31, 2020, which are convertible into 107,075 equity shares of Rs.10 each at any time at the option of the holder of the preference shares.
- The preference shares can be convertible automatically on (i) the expiry of 20 (twenty) years from the date of issue of such Preference Share; or (ii) upon the completion of a Qualified Public Offering and listing of all equity shares of the Company on the relevant stock exchange after such completion in accordance with the terms of the issue, whichever is earlier.

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## Other Equity

### Note 10 (c): Reserve and surplus

	(Rs. in Lakhs)	
Particulars	March 31, 2020	March 31, 2019
Securities premium	2,09,089.49	1,02,995.33
Retained earnings	(93,374.41)	(63,014.29)
Equity settled share based payment reserve	10,749.73	9,259.04
General reserve	1.73	1.73
Foreign currency translation reserve	7.30	(39.22)
<b>Total reserves and surplus</b>	<b>1,26,473.84</b>	<b>49,202.59</b>

i) Securities premium		(Rs. in Lakhs)
Particulars	March 31, 2020	March 31, 2019
Opening balance	1,02,995.33	1,02,705.20
Additions during the year	1,05,917.29	-
Exercise of options transfer from Equity settled share based payment reserve	176.87	290.13
<b>Closing balance</b>	<b>2,09,089.49</b>	<b>1,02,995.33</b>

ii) Retained earnings		(Rs. in Lakhs)
Particulars	March 31, 2020	March 31, 2019
Opening balance	(63,014.29)	(28,505.48)
Net (Loss) for the period	(30,402.91)	(34,420.35)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	42.79	(88.46)
<b>Closing balance</b>	<b>(93,374.41)</b>	<b>(63,014.29)</b>

iii) Equity settled share based payment reserve		(Rs. in Lakhs)
Particulars	March 31, 2020	March 31, 2019
Opening balance	9,259.04	4,491.79
Transfer during the year	1,667.56	5,057.38
Transfer to Securities Premium for exercise of options	(176.87)	(290.13)
<b>Closing balance</b>	<b>10,749.73</b>	<b>9,259.04</b>

iv) General Reserve		(Rs. in Lakhs)
Particulars	March 31, 2020	March 31, 2019
Balance as at the beginning of the year	1.73	1.73
Add : Transfer during the year from Equity settled share based payment reserve	-	-
<b>Closing balance</b>	<b>1.73</b>	<b>1.73</b>

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<b>v) Foreign currency translation reserve</b>		(Rs. in Lakhs)
<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Balance as at the beginning of the year	(39.22)	(0.85)
Add: Currency translation adjustments relating to subsidiary	46.52	(38.37)
<b>Closing balance</b>	<b>7.30</b>	<b>(39.22)</b>

**Nature and purpose of other reserves:**

**a) Securities premium**

Securities premium is used to record the premium on issue of shares. Securities premium is utilised in accordance with the provisions of the Companies Act, 2013.

**b) Equity settled share based payment reserve**

Equity settled share based payment reserve is used to recognise the grant date fair value of options issued to the employees of the Company and its subsidiaries under ESOP scheme.

**c) Foreign currency translation reserve**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

**d) General Reserve**

General Reserve created on forfeiture of ESOPs in earlier years.

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**Note 11 : Financial liabilities****Note 11(a) : Trade payables****Current**

Trade payables : micro and small enterprises (Refer note 23)

Trade payables : others

**Total**

As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
921.15	297.88
10,872.00	10,804.27
<b>11,793.15</b>	<b>11,102.15</b>

**Note 11(b) : Other financial liabilities****Current**

Employee related payables

Other payables

Lease equalisation reserve

**Total**

As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
3,649.63	2,852.90
-	6.06
-	75.63
<b>3,649.63</b>	<b>2,934.59</b>

**Non-Current**

Lease equalisation reserve

**Total**

-	237.60
<b>-</b>	<b>237.60</b>





**Note 12 : Employee benefit obligations**

	March 31, 2020			March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Gratuity	74.79	1,361.60	1,436.39	39.20	922.11	961.31
Compensated absences	1,287.31	-	1,287.31	959.40	-	959.40
<b>Total employee benefit obligations</b>	<b>1,362.10</b>	<b>1,361.60</b>	<b>2,723.70</b>	<b>998.60</b>	<b>922.11</b>	<b>1,920.71</b>

(Rs. in Lakhs)

**(i) Compensated absences**

The leave obligations cover the Company's liability for earned leaves. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

The amount of the provision of Rs. 1287.31 lakhs (March 31, 2019 – Rs. 959.40 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	March 31, 2020 (Rs. in Lakhs)	March 31, 2019 (Rs. in Lakhs)
Leave obligations not expected to be settled within the next 12 months	987.49	748.19

**(ii) Defined contribution plans****a) Provident Fund**

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year ended March 31, 2020 towards defined contribution plan is Rs. 2,257.68 lakhs (March 31, 2019- Rs. 1492.22 Lakhs) Refer Note 16

**b) Employee State Insurance**

The Company has a defined contribution plan in respect of employee state insurance. The expense recognised during the year ended March 31, 2020 towards defined contribution plan is Rs. 482.11 lakhs (March 31, 2019- Rs. 529.58 lakhs) Refer Note 16

**(iii) Post employment benefit plan obligations- Gratuity**

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.



a) The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation (Rs. in Lakhs)	Fair value of plan assets (Rs. in Lakhs)	Net amount (Rs. in Lakhs)
<b>April 1, 2018</b>	<b>619.90</b>	<b>121.57</b>	<b>498.33</b>
Current service cost	355.65	-	355.65
Past Service Cost	-	-	-
Interest expense/(income)	47.11	-	47.11
Expected return on plan assets	-	9.24	(9.24)
<b>Total amount recognised in profit or loss</b>	<b>402.76</b>	<b>9.24</b>	<b>393.52</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.98	0.98
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	23.67	-	23.67
Experience (gains)/losses	63.81	-	63.81
<b>Total amount recognised in other comprehensive income</b>	<b>87.48</b>	<b>0.98</b>	<b>88.46</b>
Employer contributions	-	19.00	(19.00)
Benefit payments	(17.81)	(17.81)	-
<b>March 31, 2019</b>	<b>1,092.33</b>	<b>131.02</b>	<b>961.31</b>
<b>April 1, 2019</b>	<b>1,092.33</b>	<b>131.02</b>	<b>961.31</b>
Current service cost	482.82	-	482.82
Past Service Cost	-	-	-
Interest Cost	73.62	-	73.62
Expected return on plan assets	-	8.84	(8.84)
<b>Total amount recognised in profit or loss</b>	<b>556.44</b>	<b>8.84</b>	<b>547.60</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(5.38)	(5.38)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(177.75)	-	(177.75)
Experience (gains)/losses	140.60	-	140.60
<b>Total amount recognised in other comprehensive income</b>	<b>(37.15)</b>	<b>(5.38)</b>	<b>(42.53)</b>
Employer contributions	-	30.00	(30.00)
Benefit payments	(31.45)	(31.45)	-
<b>March 31, 2020</b>	<b>1,580.18</b>	<b>143.79</b>	<b>1,436.39</b>

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b) The net liability disclosed above relates to funded plans are as follows:

	March 31, 2020 (Rs. in Lakhs)	March 31, 2019 (Rs. in Lakhs)
Present value of funded obligations	1,580.18	1,092.33
Fair value of plan assets	143.79	131.01
<b>Deficit of funded plan</b>	<b>1,436.39</b>	<b>961.32</b>
Unfunded plans	-	-
<b>Deficit of gratuity plan</b>	<b>1,436.39</b>	<b>961.32</b>

c) The significant actuarial assumptions were as follows:

	Employees Gratuity Fund		Compensated absences	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount Rate (per annum)	6.75%	7.50%	6.75%	7.60%
Expected Return on Plan Assets	7.50%	7.50%	7.50%	7.50%
Rate of Increase in Compensation levels (p.a.)	8.00%	12.0%	8.00%	12.00%
Attrition Rate				
18 years to 30 years	15.00%	15.00%	15.00%	15.00%
30 years to 44 years	9.00%	9.00%	9.00%	9.00%
44 years to 58 years	1.00%	0.00%	1.00%	0.00%
Expected average remaining working lives of employees (years)	28.80	29.60	28.80	29.60

Assumptions regarding future mortality for pension are set based on actuarial advice in accordance with published statistics and experience. The discount rate assumed is determined by reference to market yield at the balance sheet date on government bonds. The estimates of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

d) Sensitivity analysis:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

**Impact on defined benefit obligation**

	Change in assumption		Impact on defined benefit obligation			
	March 31, 2020	March 31, 2019	Increase in assumption		Decrease in assumption	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate	1%	1%	-9%	-10%	11%	12%
Salary growth rate	1%	1%	10%	11%	-8%	-9%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. Assumptions other than discount rate and salary growth rate are not material for the Company.

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e) The major categories of plans assets are as follows:

Funds Managed by Insurer\* - 100%

\*The Funds are managed by Life Insurance Corporation and Kotak Mahindra Life Insurance Company Limited. They do not provide breakup of plan assets by investment type.

f) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility:**

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The gratuity fund is administered through Life Insurance Corporation of India and (insurer) Kotak Mahindra Life Insurance Company Limited under its group gratuity scheme. Accordingly almost the entire plan asset investments is maintained by the insurer. These are subject to interest rate risk which is managed by the insurer.

**Changes in bond yields:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets maintained by the insurer. The gratuity fund is administered through Life Insurance Corporation (LIC) of India & Kotak Mahindra Life Insurance Company Limited under its Group Gratuity Scheme.

g) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 23 years (2019 - 22 years).

The expected maturity analysis of undiscounted post employment benefit plan (gratuity) is as follows :

	Less than a year (Rs. in Lakhs)	Between 1 - 2 years (Rs. in Lakhs)	Between 2 - 5 years (Rs. in Lakhs)	Over 5 years (Rs. in Lakhs)	Total (Rs. in Lakhs)
<b>March 31, 2020</b>					
Defined benefit obligation (Gratuity)	74.79	14.77	53.13	1,432.76	1,575.45
<b>Total</b>	<b>74.79</b>	<b>14.77</b>	<b>53.13</b>	<b>1,432.76</b>	<b>1,575.45</b>
<b>March 31, 2019</b>					
Defined benefit obligation (Gratuity)	38.98	92.89	646.33	536.13	1,314.33
<b>Total</b>	<b>38.98</b>	<b>92.89</b>	<b>646.33</b>	<b>536.13</b>	<b>1,314.33</b>

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**Note 13 : Other current liabilities****Current**

Statutory dues including provident fund and tax deducted at source	
Advance from customers	
Deferred revenue	
Other current liabilities	
<b>Total</b>	

As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
1,943.25	1,336.79
0.08	-
58.66	-
2.39	-
<b>2,004.38</b>	<b>1,336.79</b>

**Non-current liabilities**

Provision for litigations liability	
-------------------------------------	--

-	25.85
<b>-</b>	<b>25.85</b>

**Note 14 : Revenue from operations****Sale of services (net of applicable taxes):**

Telemarketing services	
Commission on web aggregation of financial products	
Investment advisory fees	
Sale of leads	
Online marketing and consulting	
Outsourcing services	
Product listing services	
Rewards	
IT support services	
Marketing support	
Telecalling services	
Human Health Services	
<b>Total</b>	

Year ended March 31, 2020 (Rs. in Lakhs)	Year ended March 31, 2019 (Rs. in Lakhs)
21,335.73	13,167.21
14,490.14	8,669.90
-	4.88
4,518.62	4,390.85
5,538.11	4,397.86
25,684.12	15,183.91
8.50	9.50
4,563.75	2,670.39
603.31	72.00
361.00	657.12
6.64	-
19.81	0.87
<b>77,129.73</b>	<b>49,224.49</b>

**Note 15 : Other income**

Net gain on sale of investments	
Interest Income from financial assets at amortised cost	
Income accrued but not due - Income	
Income from shared resources	
Interest on Income Tax refund	
Liabilities no longer required written back	
Foreign exchange fluctuation (Gain)	
Net gain on financial assets carried at fair value through profit or loss	
Profit on sale of fixed assets	
Lease liabilities written back (net)	
Provision no longer required written back	
Unwinding of discount on security deposits	
<b>Total</b>	

Year ended March 31, 2020 (Rs. in Lakhs)	Year ended March 31, 2019 (Rs. in Lakhs)
7,057.83	3,432.18
853.24	90.56
2.69	29.41
116.50	-
17.44	0.49
-	0.57
-	1.17
4.53	24.63
0.95	-
97.44	-
201.95	-
73.97	77.20
<b>8,426.54</b>	<b>3,656.21</b>



**Note 16 : Employee benefit expense**

Salaries, wages and bonus (net)	
Contributions to Provident and Other funds (Refer note 12)	
Compensated absences	
Gratuity (Refer note 12)	
Staff welfare expenses	
Employee share-based payment expense [Refer note 25(b)]	
<b>Total</b>	

Year ended March 31, 2020 (Rs. in Lakhs)	Year ended March 31, 2019 (Rs. in Lakhs)
45,842.39	30,961.58
2,739.79	2,021.80
679.54	710.74
547.60	393.52
608.06	617.26
1,667.56	5,057.38
<b>52,084.94</b>	<b>39,762.28</b>

**Note 17 : Depreciation and amortisation expense**

Depreciation of property, plant and equipment	
Depreciation of right of use assets	
Amortisation of intangible asset	
<b>Total</b>	

Year ended March 31, 2020 (Rs. in Lakhs)	Year ended March 31, 2019 (Rs. in Lakhs)
1,825.03	1,120.13
2,693.46	-
210.99	68.42
<b>4,729.48</b>	<b>1,188.55</b>

**Note 18 : Advertising and promotion expenses**

Advertisement expenses	
Business promotion expenses	
<b>Total</b>	

Year ended March 31, 2020 (Rs. in Lakhs)	Year ended March 31, 2019 (Rs. in Lakhs)
44,303.11	34,462.50
218.55	122.90
<b>44,521.66</b>	<b>34,585.40</b>

**Note 19 : Network, internet and other direct expenses**

Internet and server charges	
Computer and equipment rental	
IT consultancy charges	
Communication expenses	
<b>Total</b>	

Year ended March 31, 2020 (Rs. in Lakhs)	Year ended March 31, 2019 (Rs. in Lakhs)
2,572.07	1,599.92
25.40	4.32
240.05	60.58
2,237.63	1,507.96
<b>5,075.15</b>	<b>3,172.78</b>





**Note 20 : Administration and other expenses**

	Year ended March 31, 2020 (Rs. in Lakhs)	Year ended March 31, 2019 (Rs. in Lakhs)
Electricity and water expenses	754.46	611.45
Legal and professional charges	671.52	331.95
Rent	162.79	2,374.01
Repair and maintenance - others	331.25	252.66
Security and housekeeping expenses	596.42	453.60
Office expense	134.15	110.13
Travel and conveyance	551.31	463.74
Recruitment expenses	156.49	435.31
Rates and taxes	455.92	109.79
Insurance	133.12	99.19
Printing and stationery	86.12	81.21
Postage and courier expense	36.71	28.27
Payment to auditors		
As Auditor:		
Audit fee	92.60	67.04
Tax audit fee	1.51	1.41
Other services	2.20	1.00
Certification Fees	-	3.06
Reimbursement of Expenses	2.41	2.22
In other capacities:		
Other services	3.00	6.08
Payment gateway charges	2,523.33	1,597.58
Documents collection charges	31.69	27.81
Bank charges	13.17	10.20
Training and seminar	255.35	151.77
Provision for doubtful debts	219.35	352.86
Provision for litigations	-	25.85
Corporate Social Responsibility Expenditure (Refer Note 29)	15.15	-
Provision for doubtful advances	45.68	23.90
Property, plant and equipment written off	-	5.46
Diagnostic fees	0.78	4.31
Foreign Exchange Fluctuations (Loss)	2.39	-
Membership fee and subscription charges	16.84	-
Miscellaneous expenses	141.43	20.82
<b>Total</b>	<b>7,437.15</b>	<b>7,652.68</b>

**Note 21 : Finance costs**

	Year ended March 31, 2020 (Rs. in Lakhs)	Year ended March 31, 2019 (Rs. in Lakhs)
Interest expenses	11.26	1.25
Interest on lease liability	1,180.73	-
<b>Total</b>	<b>1,191.99</b>	<b>1.25</b>



Note : 22(a) Income tax expense

	Year ended March 31, 2020 (Rs. in Lakhs)	Year ended March 31, 2019 (Rs. in Lakhs)
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	918.81	-
Tax related to earlier years	-	(4.91)
<b>Total current tax expense</b>	<b>918.81</b>	<b>(4.91)</b>
<b>Deferred tax</b>		
Decrease (increase) in deferred tax assets	-	943.02
<b>Total deferred tax expense/(benefit)</b>	<b>-</b>	<b>943.02</b>
<b>Income tax expense</b>	<b>918.81</b>	<b>938.11</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

Profit / (Loss) before tax	(29,484.10)	(33,482.24)
Tax at the Indian tax rate of 25.17% (March 31, 2019 - 26%) #	(7,420.56)	(8,705.38)
Reversal of previously recognised deferred tax asset	-	943.02
Tax losses and temporary differences for which no deferred income tax is/was recognised	7,897.32	8,705.38
Tax effects of Amounts which are not deductible (taxable) in calculating taxable income	761.77	-
Adjustments for current tax related to earlier years	-	(4.91)
Previously unrecognised tax losses now recouped to reduce current tax expense	(319.72)	-
<b>Income Tax Expense</b>	<b>918.81</b>	<b>938.11</b>

# Pursuant to the Taxation Laws (Amendment) ordinance, 2019 (ordinance) dated September 20, 2019, the Company has decided to opt for the concessional rate of income tax of 22%.

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Note : 22(b) Deferred Tax Assets (Net)

(a) Deferred Tax Assets (Net)

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
Particulars		
Deferred Tax Liability	(2,497.30)	-
Deferred Tax Assets *	2,497.30	-
Net Deferred Tax Asset / (Liability)	-	-

\* Deferred tax assets has been recognised only to the extent of Deferred tax liability.

(b) Components of Deferred Tax Assets

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
Particulars		
Property, plant and equipment & Intangibles	153.69	104.28
Defined Benefit Obligations	677.89	489.43
Lease Equalisation Reserve	-	81.43
Provision for doubtful debts	121.85	114.53
Provision for doubtful advances	17.51	6.21
Provision for Litigation Liability	-	6.72
Lease liabilities	2,676.15	-
Tax Losses	13,008.90	5,919.75
Others	159.75	126.82
Total	16,815.75	6,849.19

(c) Components of Deferred Tax Liabilities

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
Particulars		
Right of use assets	2,497.30	-
Total	2,497.30	-

(d) Movement in deferred tax assets/liabilities

	MAT Credit	Total
At 1 April 2018	943.02	943.02
(Charged)/credited:		
-to profit or loss	(943.02)	(943.02)
-to other comprehensive income	-	-
At March 31, 2019	-	-
(Charged)/credited:		
-to profit or loss	-	-
-to other comprehensive income	-	-
At March 31, 2020	-	-

(e) Unused tax losses and unrecognised temporary differences:

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
Particulars		
Unused tax losses for which no deferred tax asset has been recognised	50,384.72	21,387.60
Other tax credits #	1,303.56	1,380.68
Deductible temporary differences	5,203.25	3,574.75
Total	56,891.53	26,343.03
(a) Potential tax benefit (Other than MAT Credit) @ 25.17% (March 31, 2019 @ 26%)	14,318.46	6,849.19
(b) Other tax credits (MAT Credit)	-	-
Total Potential tax benefit (a+b)	14,318.46	6,849.19
Expiry dates for unused tax losses		
- March 31, 2020	-	-
- March 31, 2021	-	-
- March 31, 2022	-	-
- March 31, 2023	3,515.26	3,515.26
- March 31, 2024	9,499.92	9,499.92
- March 31, 2025	6,193.79	6,193.79
- March 31, 2026	2,178.63	2,178.63
- March 31, 2027	28,997.13	-

# It includes unabsorbed depreciation which can be carried forward indefinitely and have no expiry date.

Note: The Group has accumulated business losses of Rs. 51,688.28 Lakhs (Previous year - Rs. 22,768.28 lakhs) [including accumulated unabsorbed depreciation of Rs. 1,319.23 Lakhs (Previous Year - Rs. 1,380.68 lakhs)] as per the provisions of the Income Tax Act, 1961. The unabsorbed business losses amounting to Rs. 50,384.72 Lakhs (Previous Year Rs. 21,387.60 lakhs) are available for offset for maximum period of eight years from the incurrence of loss.

The Board of Directors of the Group have reviewed the Group's business activities, financial position, historical trend of revenue and net profits/taxable profits, current year loss and considering management future business strategies and projected future taxable profits, concluded that the Group may not be able to earn sufficient future taxable profits in the near future, to adjust the accumulated business losses/unabsorbed depreciation. The Group may consider to recognise deferred tax assets on accumulated business losses/unabsorbed depreciation/temporary differences in future when there are operating profits and there is certainty that the Group will be able to earn sufficient future taxable profits as per the provisions of the Income Tax Act, 1961.

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**Note : 23 Dues to micro, small and medium enterprises**

The company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosure pursuant to the said MSMED Act are as follows :

	As At March 31, 2020 (Rs. in Lakhs)	As At March 31, 2019 (Rs. in Lakhs)
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end. [Refer note 11 ( a )]	908.64	297.08
Interest due to suppliers registered under MSMED Act and remaining unpaid as at year end.	12.52	1.25
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2,254.60	270.71
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	11.27	0.80
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	12.52	1.25

**Note 24 (a): Contingent liabilities and Commitments****(i) Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
Property, plant and equipment	38.03	67.73

**(ii) Non-cancellable operating leases**

The Company leases various offices under non-cancellable operating leases expiring within one to three years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of leases are re-negotiated. With effect from April 01, 2019, the Company has recognised right of use assets for these leases, except for short term leases, see note 4(b) and note 34 for further information.

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	-	2,087.77
Later than one year but not later than five years	-	1,776.37
Later than five years	-	-

**Rental expense relating to operating leases**

	Year ended March 31, 2020 (Rs. in Lakhs)	Year ended March 31, 2019 (Rs. in Lakhs)
Total rental expense relating to operating leases (Refer note 20)	-	2,374.01





**(iii) Contingent liabilities**

(a) Claims against the Company not acknowledged as debts :

	As at March 31, 2020 (Rs. in Lakhs)	As at March 31, 2019 (Rs. in Lakhs)
Income tax matters (including interest and penalties)	2,644.80	2,179.95
	<u>2,644.80</u>	<u>2,179.95</u>

Note: It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of above pending resolution of the respective proceedings.

**Note 24 (b) :** As at March 31, 2019, the Company was in the process of evaluating the prior period impact of Supreme Court Judgment dated February 28, 2019 clarifying the definition of 'basic wages' as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (P.F. Act) for the purpose of determining contribution to Provident Fund under P.F. Act.

During the year, the Company has assessed and computed the additional provident fund payable from the date of incorporation of the Company till March 2020 based on the principles of above judgement. The computed amount amounting Rs. 5.93 lakhs has been deposited by the Company with PF Authorities subsequent to year ended March 31, 2020.

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**Note 25 : Share based payments**

**(a) Employee option plan**

The parent company (Etechaces Marketing and Consulting Private Limited) has set up a trust to administer the ESOP scheme under which options have been granted to certain employees of the Company and its subsidiaries. Under this ESOP scheme, the employees can purchase equity shares by exercising the options as vested at the price specified in the grant. The options granted till March 31, 2020 have a vesting period of maximum 5 years from the date of grant.

i) Summary of options granted under plan :

	March 31, 2020		March 31, 2019	
	Average exercise price per share option (Rs.)	Number of options	Average exercise price per share option (Rs.)	Number of options
Opening Balance	10	12,818	10	11,285
Granted during the year	10	144	10	2,282
Exercised during the year*	10	(273)	10	(648)
Forfeited/lapsed during the year	10	(211)	10	(101)
<b>Closing Balance</b>		<b>12,478</b>		<b>12,818</b>
Vested and exercisable		9,645		6,089

\*The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2020 was Rs.10 (March 31, 2019 - Rs. 10).

No options expired during the periods covered in the above tables.

ii) Share options outstanding at the end of year have following expiry date and exercise prices :

Grant	Grant date	Expiry date	Exercise price	Share options March 31, 2020	Share options March 31, 2019
Grant 1	May 01, 2010	March 31, 2030	10	105	105
Grant 2	March 17, 2014	March 31, 2030	10	2,785	2,785
Grant 3	April 01, 2014	March 31, 2030	10	2,105	2,195
Grant 4	April 01, 2015	March 31, 2030	10	920	936
Grant 5	April 01, 2016	March 31, 2030	10	870	1,019
Grant 6	April 01, 2017	March 31, 2030	10	1,480	1,589
Grant 7	December 01, 2017	March 31, 2030	10	1,807	1,907
Grant 8	April 01, 2018	March 31, 2030	10	318	338
Grant 9	June 11, 2018	March 31, 2030	10	1,944	1,944
Grant 10	October 01, 2019	March 31, 2030	10	144	-
<b>Total</b>				<b>12,478</b>	<b>12,818</b>
<b>Weighted average remaining contractual life of options outstanding at end of period</b>				<b>10 Years</b>	<b>11 Years</b>

iii) Fair value of options granted :

The fair value at grant date of options granted during the year ended March 31, 2020 was Rs. 2,05,524 per option for Grant 10 (March 31, 2019 - Rs. 193,792 and Rs. 200,619 for Grant 8 and Grant 9 respectively). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended March 31, 2020 included:

- a) options are granted at face value and vest upon completion of service for a period not exceeding one year (March 31, 2019 - five years). Vested options are exercisable till March 31, 2030.
- b) exercise price: Rs. 10 (March 31, 2019 - Rs. 10)
- c) grant date: October 1, 2019 (March 31, 2019 - April 1, 2018 and June 11, 2018)
- d) expiry date: March 31, 2030 (March 31, 2019 - March 31, 2030)
- e) expected price volatility of the company's shares: 87.2% for Grant - 10 (March 31, 2019- 67.6% for Grant - 8 & Grant - 9)
- f) expected dividend yield: 0% (March 31, 2019 - 0%)
- g) risk-free interest rate: 6.6% for Grant 10 (March 31, 2019 - 7.83% for Grant 8 and Grant 9)

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

**(b) Expense arising from share based payment transaction**

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
Employee option plan	1,667.56	5,057.38
<b>Total employee share based payment expense</b>	<b>1,667.56</b>	<b>5,057.38</b>

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**Note 26: Earnings/(Loss) per share**

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
<b>a) Basic earnings per share</b>			
Loss attributable to Equity Shareholders (Rs. In lakhs)	A	(30,402.91)	(34,420.35)
Weighted average number of equity shares outstanding during the year	B	38,027.00	37,639.00
Weighted average number of equity shares and potential equity shares during the year (Refer note 3 below)	C	1,56,629.00	1,34,327.00
<b>Basic earnings/(Loss) per share (in Rs.) (Refer Note 1 and 2 below)</b>	A/C	(19,410.78)	(25,624.30)
<b>Diluted earnings/(Loss) per share (in Rs.) (Refer Note 1 and 2 below)</b>	A/C	(19,410.78)	(25,624.30)
<b>Note 1:</b> Cumulative compulsorily convertible preference shares ("CCCPS") issued by the Company have been considered to be potential equity shares. They have been considered in the determination of diluted EPS as well as basic EPS from their date of issue as they are mandatorily convertible into equity shares. Accordingly, EPS and DEPS for previous year has also been adjusted. Details relating to CCCPS issued by the Company are set out in note 10(b).			
<b>Note 2:</b> Options granted to employees under the Etechaces Employee stock option plan are considered to be potential equity shares. They have been considered in the determination of diluted EPS as well as basic EPS from their date of grant as they are mandatorily convertible into equity shares. Accordingly, EPS and DEPS for previous year has also been adjusted. Details relating to options are set out in Note 26.			
<b>Note 3: Weighted average number of shares:</b>			
Weighted average number of equity shares		38,027.00	37,639.00
Adjustments for calculation of diluted earning per share:			
- Cumulative compulsorily convertible preference shares		1,06,124.00	83,870.00
- Employee stock options		12,478.00	12,818.00
<b>Weighted average number of equity shares and potential equity shares during the year</b>		<b>1,56,629.00</b>	<b>1,34,327.00</b>

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**Note 27: Interests in other entities**

The Group's subsidiaries at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The Country of incorporation or registration is also their principal place of business.

Name of Entity	Place of Business/country of Incorporation	Ownership Interest held by the group		Principal Activities
		March 31, 2020	March 31, 2019	
		%	%	
Policybazaar Insurance Brokers Private Limited (Erstwhile, Policybazaar Insurance Web Aggregator Private Limited)	India	100	100	Licensed insurance web aggregator, engaged in providing insurance web aggregator services
Paisabazaar Marketing and Consulting Private Limited	India	100	100	Online comparison and sales of financial products
Icall Support Services Private Limited	India	100	100	Call centre operations
PB Marketing and Consulting Private Limited (Erstwhile, Policybazaar Insurance Broking Private Limited)	India	100	100	Online, offline and direct marketing of Insurance products
Docprime Technologies Private Limited (Erstwhile, Panacea Techno Services Private Limited)	India	100	100	Engaged in online healthcare related services
Accurex Marketing and Consulting Private Limited	India	100	100	Support services in motor vehicle claims and related assistance
PB Fintech FZ-LLC	UAE	100	100	Online, offline and direct marketing of Insurance products



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**Note 28: Related Party Disclosures:**

Disclosures in accordance with the requirements of IND AS - 24 on Related Party Disclosures, as identified by the management are set out as below:

**(a) Names of Related Parties and nature of relationship:****i) Subsidiaries:**

Policybazaar Insurance Brokers Private Limited (Erstwhile,  
Policybazaar Insurance Web Aggregator Private Limited)  
Paisabazaar Marketing and Consulting Private Limited  
Icall Support Services Private Limited  
Accurex Marketing and Consulting Private Limited  
PB Marketing and Consulting Private Limited (Erstwhile,  
Policybazaar Insurance Broking Private Limited)  
Docprime Technologies Private Limited (Erstwhile, Panacea  
Techno Services Private Limited)  
PB Fintech FZ-LLC

Interests in above entities are set out in Note 27

**ii) Key Management Personnel (KMP):**

Mr. Yashish Dahiya, Whole Time Director & CEO  
Mr. Alok Bansal, Whole Time Director & CFO  
Ms. Kitty Agarwal, Director  
Mr. Parag Dhol, Director  
Mr. Atul Gupta, Director  
Mr. Munish Ravinder Varma, Director (w.e.f. April 26, 2019)  
Mr. Daniel Joram Brody, Director (w.e.f. November 7, 2019)  
Mr. Sarbvir Singh, Director (w.e.f. June 5, 2020)

**Key management personnel compensation**

	Year ended March 31, 20120 (Rs. in Lakhs)	Year ended March 31, 2019 (Rs. in Lakhs)
Short-term employee benefits	372.97	323.91
Post-employment benefits	28.26	40.87
Other Long-term employee benefits	-	-
Termination benefits	-	-
Employee share based payments	1,088.67	4,108.25
<b>Total compensation</b>	<b>1,489.90</b>	<b>4,473.03</b>

**iii) Relatives of KMP:**

Ms. Swatee Agarwal, Spouse of Director

Transaction with relatives of KMP :

	Year ended March 31, 2020 (Rs. in Lakhs)	Year ended March 31, 2019 (Rs. in Lakhs)
IT consultancy charges	15.20	1.15
<b>Total</b>	<b>15.20</b>	<b>1.15</b>

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**Note 29: Corporate social responsibility expenditure**

	Year ended March 31, 2020 (Rs. in Lakhs)	Year ended March 31, 2019 (Rs. in Lakhs)
Contribution to Prime Minister's National Relief Fund	15.15	-
<b>Total</b>	<b>15.15</b>	<b>-</b>
Amount Required as per Section 135 of the Act	14.65	-
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	15.15	-





### Note 30: Segment Reporting

The Group is primarily engaged in the business of providing online marketing, consulting and support services through its online portal policybazaar.com and paisabazaar.com largely for the financial service industry. The Group earns its revenue majorly within India only.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). All operating segments' results are reviewed regularly by the Company's Chief Executive Officer and Chief Financial Officer, who have been identified as the CODM, to assess the financial performance and position of the Company and makes strategic decisions.

Based on nature of services rendered, the risk and returns, internal organization and management structure, nature of the regulatory environment and the internal performance reporting systems, the management considers that the Group is organized into two reportable segments:

a) Insurance Web aggregator services (regulated services): This Segment consists of Insurance web aggregator services provided by the Group. These services are regulated by the Insurance Regulatory Development authority (Web Aggregator) Regulations, 2017.

b) Other services: This Segment consists of online marketing, consulting and support services provided largely to the financial service industry.

	Particulars	31-Mar-20 (Rs. in Lakhs)	31-Mar-19 (Rs. in Lakhs)
<b>1</b>	<b>Segment Revenue:</b>		
	Insurance Web Aggregator Services	51,592.10	31,030.87
	Other Services	25,537.64	18,193.62
	<b>Total Revenue</b>	<b>77,129.74</b>	<b>49,224.49</b>
<b>2</b>	<b>Interest Income</b>		
	Insurance Web Aggregator Services	9.89	45.86
	Other Services	846.04	74.11
<b>3</b>	<b>Depreciation &amp; amortization</b>		
	Insurance Web Aggregator Services	3,113.86	723.45
	Other Services	1,615.62	465.09
<b>4</b>	<b>Income Tax Expense</b>		
	Insurance Web Aggregator Services	-	-
	Other Services	918.81	938.11
<b>5</b>	<b>Segment Assets</b>		
	Insurance Web Aggregator Services	33,423.36	19,133.22
	Other Services	1,24,176.45	47,714.71
	<b>Total Assets</b>	<b>1,57,599.81</b>	<b>66,847.93</b>
<b>6</b>	<b>Additions to non-current assets</b>		
	Insurance Web Aggregator Services	12,744.58	5,723.64
	Other Services	975.95	2,209.59
<b>7</b>	<b>Deferred Tax Assets</b>		
	Insurance Web Aggregator Services	-	-
	Other Services	-	-

#### Note:-

- 1 Segment revenue is measured in the same way as in the Statement of Profit and Loss. There are no inter-segment sales.
- 2 Segment assets includes fixed assets, trade receivables, cash and bank balances and other current assets and are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment of the assets. Intragroup receivables and payables have been eliminated.
- 3 Segment liabilities includes trade payable, other current liabilities and provisions. Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment. Intragroup receivables and payables have been eliminated.
- 4 The revenues of Rs. 11,056.28 Lakhs attributable to the "Insurance Web Aggregator" segment are derived from a single external customer (March 31, 2019 - 5,128.86 Lakhs from a single external customer and attributable to "Insurance Web Aggregator" Segment).



**Note 31 : Fair value measurements**

**a) Financial instruments by category**

	March 31, 2020 (Rs. in Lakhs)			March 31, 2019 (Rs. in Lakhs)		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Mutual funds	198.66	-	-	12,524.62	-	-
Trade receivables	-	-	8,771.96	-	-	10,946.22
Cash and cash equivalents	-	-	85,216.59	-	-	10,689.55
Other bank balances	-	-	25,171.98	-	-	16,022.22
Loans- Security deposits	-	-	1,243.59	-	-	1,037.45
Employee Loans	-	-	57.67	-	-	27.66
Unbilled revenue	-	-	9,105.14	-	-	2,182.82
Interest accrued but not due	-	-	174.97	-	-	23.84
Deposits with insurance companies	-	-	21.25	-	-	21.25
Balances in fixed deposit accounts with original maturity with more than 12 months	-	-	10.00	-	-	-
Others	-	-	82.99	-	-	9.84
<b>Total financial assets</b>	<b>198.66</b>	<b>-</b>	<b>1,29,856.14</b>	<b>12,524.62</b>	<b>-</b>	<b>40,960.85</b>
<b>Financial liabilities</b>						
Lease liabilities	-	-	10,844.23	-	-	-
Trade payables	-	-	11,793.15	-	-	11,102.15
Employee related payables	-	-	3,649.63	-	-	2,852.90
Other payables	-	-	-	-	-	6.06
Lease equalisation reserve	-	-	-	-	-	313.21
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>26,287.01</b>	<b>-</b>	<b>-</b>	<b>14,274.32</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.

**b) Fair value hierarchy**

**Financial assets measured at fair value :**

As at March 31, 2020	Notes	Level 1	Level 2	Level 3	(Rs. in Lakhs) Total
<b>Financial assets</b>					
<i>Financial Investments at FVTPL:</i>					
Investments in Mutual funds	6(a)	198.66	-	-	198.66
<b>Total financial assets</b>		<b>198.66</b>	<b>-</b>	<b>-</b>	<b>198.66</b>

**Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

As at March 31, 2020	Notes	Level 1	Level 2	Level 3	(Rs. in Lakhs) Total
<b>Financial assets</b>					
Loans to employees	6(b)	-	-	57.67	57.67
Security deposits	6(b)	-	-	1,243.59	1,243.59
<b>Total financial assets</b>		<b>-</b>	<b>-</b>	<b>1,301.26</b>	<b>1,301.26</b>

**Financial assets measured at fair value :**

As at March 31, 2019	Notes	Level 1	Level 2	Level 3	(Rs. in Lakhs) Total
<b>Financial assets</b>					
<i>Financial Investments at FVTPL:</i>					
Investments in Mutual funds	6(a)	12,524.62	-	-	12,524.62
<b>Total financial assets</b>		<b>12,524.62</b>	<b>-</b>	<b>-</b>	<b>12,524.62</b>

**Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

As at March 31, 2019	Notes	Level 1	Level 2	Level 3	(Rs. in Lakhs) Total
<b>Financial assets</b>					
<i>Loans</i>					
Loans to employees	6(b)	-	-	27.66	27.66
Security deposits	6(b)	-	-	1,037.45	1,037.45
<b>Total financial assets</b>		<b>-</b>	<b>-</b>	<b>1,065.11</b>	<b>1,065.11</b>

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The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter 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. For example, unlisted equity securities, etc.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

c) **Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or mutual fund houses quotes (NAV) for such instruments. This is included in Level 1.
- the fair value of the remaining financial instrument is determined using discounted cash flow analysis. This is included in Level 3.

d) **Fair value of financial assets and liabilities measured at amortised cost**

	March 31, 2020 (Rs. In Lakhs)		March 31, 2019 (Rs. In Lakhs)	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
<i>Loans</i>				
Loans to employees	57.67	57.67	27.66	27.66
Security deposits	1,243.59	1,243.59	1,037.45	1,037.45
<b>Total financial assets</b>	<b>1,301.26</b>	<b>1,301.26</b>	<b>1,065.11</b>	<b>1,065.11</b>
<b>Financial liabilities</b>				
<i>Lease liabilities</i>				
Lease liabilities	10,844.23	10,844.23	-	-
<b>Total financial liabilities</b>	<b>10,844.23</b>	<b>10,844.23</b>	<b>-</b>	<b>-</b>

The carrying amounts of loans, trade receivables, cash and cash equivalents, other bank balances, other 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.



## Note 32: Financial risk and Capital management

### A) Financial risk management framework

The company's activities expose it to market risk, liquidity risk and credit risk.  
This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other financial liabilities	Rolling cash flow forecasts	Availability of surplus cash and support from parent company
Price Risk	Investments in mutual funds	Credit rating	Portfolio diversification and regular monitoring

#### (a) Credit risk

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

##### Trade receivables related credit risk

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which Company operates and other macro-economic factors.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company, market intelligence and goodwill. Outstanding customer receivables are regularly monitored.

The Company has established an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables and 12-month expected credit loss for other receivables. An impairment analysis is performed at each reporting date on an individual basis for major parties. The calculation is based on historical data of actual losses. The Company evaluates the concentration of risk with respect to trade receivables as low.

Trade receivables are written off when there is no reasonable expectation of recovery.

##### Provision for expected credit losses

The Company provides for expected credit loss based on the following:

Category	Description of category	Basis for recognition of expected credit loss provision		
		Security deposits	Loans to employees	Trade receivables
High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	12-month expected credit loss	12-month expected credit loss	Lifetime expected credit losses
Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past			

Year ended March 31, 2020:

#### (a) Expected credit loss for security deposits & loans to employees:

(Amount in Rs. Lakhs)

Particulars	Category	Description of category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counterparty has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	1,243.59	0.00%	-	1,243.59
			Loans to employees	57.67	0.00%	-	57.67

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## (b) Lifetime expected credit loss for trade receivables under simplified approach:

(Amount in Rs. Lakhs)

Particulars /Ageing	Not Due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due	Total
Gross carrying amount	7,961.27	821.94	63.14	114.76	50.32	244.70	9,256.12
Expected credit losses (Loss allowance provision)	100.12	42.48	9.71	36.84	50.32	244.70	484.16
(Loss allowance provision)	100.12			36.84	50.32	244.70	484.16
Carrying amount of trade receivables (net of impairment)	7,861.15	779.46	53.44	77.91	-	-	8,771.96

Year ended March 31, 2019:

## (a) Expected credit loss for security deposits &amp; loans to employees:

(Amount in Rs. Lakhs)

Particulars	Category	Description of category	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counterparty has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	1,037.45	0.00%	-	1,037.45
			Loans to employees	27.66	0.00%	-	27.66

## (b) Lifetime expected credit loss for trade receivables under simplified approach:

(Amount in Rs. Lakhs)

Particulars /Ageing	Not Due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due	Total
Gross carrying amount	9,337.80	1,196.35	481.72	74.02	84.56	212.25	11,386.72
Expected loss rate	2.11%	4.06%	4.17%	2.42%	2.68%	80.31%	
Expected credit losses (Loss allowance provision)	197.40	48.52	20.07	1.79	2.27	170.45	440.50
Carrying amount of trade receivables (net of impairment)	9,140.40	1,147.83	461.65	72.24	82.29	41.80	10,946.22

The following table summarizes the change in loss allowance measured using the life time expected credit loss model:

Particulars	Rs. in Lakhs
Loss allowance on April 1, 2018	87.64
Changes in loss allowance	352.86
Loss allowance on March 31, 2019	440.50
Changes in loss allowance	43.66
Loss allowance on March 31, 2020	484.16



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#### Treasury related credit risk

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external credit rating agencies, accordingly the Company considers that the related credit risk is low. Impairment on these items are measured on the 12-month expected credit loss basis.

#### (b) Liquidity risk

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

The company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

#### Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

#### Contractual maturities of financial liabilities:

	0 to 1 year	1 to 5 years	More than 5 years	(Rs. in Lakhs) Total
<b>March 31, 2020</b>				
<b>Non-derivatives</b>				
Trade payables	11,793.15	-	-	11,793.15
Other financial liabilities	3,649.63	-	-	3,649.63
Lease liabilities	2,462.95	7,516.76	4,936.19	14,915.90
<b>Total non-derivative liabilities</b>	<b>17,905.73</b>	<b>7,516.76</b>	<b>4,936.19</b>	<b>30,358.68</b>
<b>March 31, 2019</b>				
<b>Non-derivatives</b>				
Trade payables	11,102.15	-	-	11,102.15
Other financial liabilities	2,934.59	237.60	-	3,172.19
<b>Total non-derivative liabilities</b>	<b>14,036.74</b>	<b>237.60</b>	-	<b>14,274.34</b>

#### (c) Market risk

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

The Company's exposure to securities price risk arises from investments held in mutual funds and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses.

Profits/losses for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

#### B) Capital management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. The capital of the Company consist of equity capital and accumulated profits/losses.



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Note 33: Additional Information required by Schedule III (Division II) :

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net Assets	Amount (Rs. in Lakhs)	As % of consolidated profit / (loss)	Amount (Rs. in Lakhs)	As % of consolidated other comprehensive income	Amount (Rs. in Lakhs)	As % of consolidated total comprehensive income	Amount (Rs. in Lakhs)
<b>Parent Company:</b>								
<b>Etechaces Marketing and Consulting Private Limited</b>								
March 31, 2020	89.16%	1,12,867.38	-12.75%	3,875.91	66.19%	59.12	-12.98%	3,935.05
March 31, 2019	81.27%	40,058.47	4.59%	(1,581.48)	(13.19%)	16.60	4.53%	(1,564.88)
<b>Subsidiaries:</b>								
<b>Indian Subsidiaries</b>								
<b>Policybazaar Insurance Brokers Private Limited (Erstwhile, Policybazaar Insurance Web Aggregator Private Limited)</b>								
March 31, 2020	6.69%	8,472.90	71.76%	(21,816.19)	-4.01%	(3.58)	71.98%	(21,819.77)
March 31, 2019	5.70%	2,809.44	61.92%	(21,312.50)	66.37%	(84.18)	61.93%	(21,396.68)
<b>Paisabazaar Marketing and Consulting Private Limited</b>								
March 31, 2020	2.92%	3,701.32	33.28%	(10,119.06)	-4.92%	(4.39)	33.40%	(10,123.48)
March 31, 2019	9.68%	4,770.00	28.21%	(9,710.05)	17.94%	(22.75)	28.17%	(9,732.80)
<b>Icall Support Services Private Limited</b>								
March 31, 2020	0.59%	749.73	-0.15%	46.43	0.00%	0.00	-0.15%	46.43
March 31, 2019	0.62%	303.31	0.16%	(55.31)	(1.49%)	1.87	0.15%	(53.44)
<b>PB Marketing and Consulting Private Limited (Erstwhile, Policybazaar Insurance Broking Private Limited)</b>								
March 31, 2020	0.04%	47.82	0.00%	1.17	0.00%	-	0.00%	1.17
March 31, 2019	0.09%	46.65	0.00%	(0.58)	0.00%	-	0.00%	(0.58)
<b>Docprime Technologies Private Limited (Erstwhile, Panacea Techno Services Private Limited)</b>								
March 31, 2020	0.30%	384.17	5.62%	(1,708.40)	6.05%	5.41	5.62%	(1,703.00)
March 31, 2019	1.99%	979.82	3.68%	(1,265.25)	0.00%	-	3.66%	(1,265.25)
<b>Accurex Marketing and Consulting Private Limited</b>								
March 31, 2020	0.05%	68.31	0.21%	(62.42)	0.16%	0.14	0.21%	(62.27)
March 31, 2019	(0.14%)	(69.41)	0.19%	(63.91)	0.00%	-	0.18%	(63.91)
<b>Total</b>	<b>99.77%</b>	<b>1,26,291.62</b>	<b>97.96%</b>	<b>(29,782.56)</b>	<b>63.48%</b>	<b>56.70</b>	<b>98.06%</b>	<b>(29,725.86)</b>
<b>Foreign Subsidiary</b>								
<b>PB Fintech FZ-LLC</b>								
March 31, 2020	0.23%	293.10	2.04%	(620.35)	36.52%	32.61	1.94%	(587.73)
March 31, 2019	0.80%	391.95	1.25%	(431.29)	30.25%	(38.37)	1.36%	(469.67)
<b>Total</b>								
March 31, 2020	100%	1,26,584.72	100%	(30,402.91)	100.00%	89.31	100%	(30,313.60)
March 31, 2019	100%	49,290.23	100%	(34,420.37)	100.00%	(126.84)	100%	(34,547.21)



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**Note 34: Changes in accounting policies**

Effective April 01, 2019, the Group has adopted Ind AS 116 "Leases" which replaces the existing lease standard, Ind AS 17, Leases. The Group has applied Ind AS 116 using the modified retrospective approach and has accordingly not restated the comparative information. On initial application of Ind AS 116 "Leases", the Group has recognised the right of use asset at an amount equal to the lease liability, adjusted by the prepaid lease rent and lease equalisation reserve. In the statement of profit and loss, depreciation for the right of use of assets and finance cost for interest accrued on lease liability is being accounted for as against operating lease rent included under "Administration and Other Expenses" earlier.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 01, 2019 was 10 %.

(i) The impact of Ind AS 116 on these financial statements is as under:

**(a) Transitional impact as at April 1, 2019****(Rs. in Lakhs)**

Particulars	Amount
- Opening balance of retained earnings	-
- Recognition of lease liability (included in 'Other financial liabilities')	8,861.90
- Recognition of right-of-use asset (includes Rs. 284.66 Lakhs and Rs. 313.20 Lakhs reclassified from prepaid lease payments and lease equalisation reserve respectively)	8,833.36

**(b) Statement of profit and loss for the year ended March 31, 2020****(Rs. in Lakhs)**

Particulars	Amount
- Decrease in rent expense (included in 'Other expenses')	(3,168.53)
- Increase in finance cost	1,177.18
- Increase in depreciation and amortization expense	2,682.37
<b>Net increase in loss</b>	<b>691.01</b>

**(ii) Practical expedients applied**

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
  - accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases
  - excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
  - using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- e) The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying IND AS 17.

**(iii) Measurement of Lease Liabilities:****(Rs. in Lakhs)**

Particulars	Amount
Operating lease commitments disclosed as at March 31, 2019	3,864.14
Discounted using the lease incremental borrowing rate at the date of initial application	3,445.77
(Less): short-term leases not recognised as a liability	-
Add/(less): adjustments as a result of a different treatment of extension and termination options	5,416.13
<b>Lease liabilities recognised as at April 1, 2019</b>	<b>8,861.90</b>



*Handwritten signature and initials.*



**Note 35: Impact of COVID-19 Pandemic**

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures.

The Company has made investment in seven wholly owned subsidiaries including one outside India. The business of Subsidiary Companies is largely into Insurance and Financial Services sector. Since insurance sector and financial services sectors are covered in essential services, as per the MHA guidelines issued on 15th April, 2020 and allowed to continue operations during the lockdown period, the Subsidiary Companies are in a position to carry on their operations in remote working environment. The Company has taken all required steps to ensure that there is no disruption in its operations and is able to service its customers seamlessly by enabling work from home for its employees.

The Company has made a detailed assessment of its business environment, liquidity position, cash flows and the financial statements as at the Balance Sheet date, and has concluded that there are no material adjustments required in these financial statements. In view of highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. The Company will continue to monitor any material changes to future economic conditions.

**Note 36: Tax Collected at Source under Goods and Services Tax**

The Policybazaar Insurance Brokers Private Limited (Erstwhile, Policybazaar Insurance Web Aggregator Private Limited) (the "Wholly owned subsidiary" or "Policybazaar") is an electronic commerce operator under the Central Goods and Services Tax Act, 2017 ("CGST Act"). Section 52(1) of the CGST Act, requires every electronic commerce operator ("operator"), not being an agent, to collect an amount calculated at such rate not exceeding one per cent, as may be notified by the Government on the recommendations of the Council, of the net value of taxable supplies made through it by other suppliers where the consideration with respect to such supplies is collected by the operator.

In the assessment of the management which is supported by legal advice from a reputed law firm, the aforesaid section is not applicable to the Policybazaar and the Policybazaar is not liable to collect TCS under the said provisions, as the consideration is not collected by the Policybazaar on behalf of Insurance Companies. The Policybazaar is not engaged in collecting any monies on behalf of the insurers and the monies flow directly between the customers to the insurance company through a nodal bank account internally created and owned by a nodal bank. Hence, in view of the management, the Policybazaar merely facilitates transfer of insurance premium to the insurance companies and is required to ensure transfer of the full amount of the insurance premium, without the ability to deduct any amounts from the insurance premium so paid by the customers. Thus, the above matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

The Policybazaar has made representation to the Government authorities seeking clarification and exemption from applicability of the above section on insurance intermediaries. The Policybazaar has also written to the Principal Regulator ("IRDAI"), seeking clarification with regard to the inability of Insurance Intermediaries to comply with and implement Section 52 of the Central Goods and Service Tax Act, 2017 and therefore facilitating exemption from this section.

**Note 37: Broker's Certificate of Registration**

During the year, Policybazaar Insurance Brokers Private Limited (Erstwhile, Policybazaar Insurance Web Aggregator Private Limited) (the "Wholly owned subsidiary" or "Policybazaar") had filed an application dated October 5, 2019 to the Insurance Regulatory and Development Authority of India ("IRDAI") seeking Certificate of Registration to act as a Direct (Life & General) Insurance Broker under the IRDAI (Insurance Brokers) Regulations, 2018. Policybazaar has received the in-principle approval as well vide letter dated January 1, 2020 from IRDAI requiring prescribed submissions to be made for grant of Broker's Certificate of Registration.

Policybazaar has made all the required submissions with the IRDAI for obtaining the Broker's Certificate of Registration. Pursuant to the requirements of above letter

- a) Policybazaar has changed its name from Policybazaar Insurance Web Aggregator Private Limited to Policybazaar Insurance brokers Private Limited w.e.f. January 24th 2020.
- b) Policybazaar has also filed for the surrender of Insurance Web aggregator license with the IRDAI which would be effective from the date of Broker licence.

**Note 38: Events occurring after the reporting period**

(a) The Company has, subsequent to the year end, issued 7,144 cumulative compulsorily convertible preference shares to SVF Python II (Cayman) Limited ("SoftBank Series F Tranche II Shares") having a face value of Rs. 100 each at a premium of Rs. 4,99,155.77 each per share aggregating to Rs. 35,666.83 Lakhs on June 05, 2020.

(b) Approval of financial statements : The financial statements were authorised for issue by the Board of Directors on June 19, 2020.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Sougata Mukherjee  
Partner  
Membership No. 057084

Place: Gurugram  
Date: June 19, 2020

For and on behalf of the Board of Directors

Sarvir Singh  
Director  
DIN : 00509959

Alok Bansal  
Director  
DIN : 01653526

Bhaskar Joshi  
Company Secretary  
M. No. F8032

Place: Gurugram  
Date: June 19, 2020

Place: Gurugram  
Date: June 19, 2020

