

Indigo Slate Inc.
Statement of Standalone Profit and Loss
(All amounts in USD, unless otherwise stated)

Statement of Profit and Loss for the	Notes	Year ended Mar 31, 2019
Income		
(a) Revenue from operations		25,325,391
(b) Other income (net)	17	83,925
Total income		25,409,316
Expenses		
(a) Purchase of licenses for software applications		725,273
(b) Employee benefits expense	18	15,711,890
(c) Subcontracting costs		2,568,282
(d) Finance costs	19	349,793
(e) Depreciation and amortisation expense		168,039
(f) Other expenses	20	3,174,013
Total expenses		22,697,290
Profit before tax		2,712,026
Tax expense	23	
(a) Current tax		735,300
(b) Deferred tax		(59,252)
Total tax expense		676,048
Profit /(Loss) for the year		2,035,978

See accompanying notes to the financial statements
In terms of our report attached

For
Chartered Accountants

For and on behalf of the Board
of Directors of
Indigo Slate Inc.

Partner

Director

Director

Indigo Slate Inc.
Statement of changes in equity
(All amounts in USD, unless otherwise stated)

Equity share capital

Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
2500	0	2500

Particulars	Reserves and Surplus						Other components of equity		Total
	Capital redemption reserve	Share based Payment Reserve	Securities premium reserve	Retained earnings	General reserve	Special economic zone re-investment reserve	Cash flow hedging reserve	Foreign currency translation reserve	
Balance as at March 31, 2018				(410,625)					(410,625)
Profit for the year				2,035,978					2,035,978
Effective portion of gain / (loss) on Cash Flow Hedge (net).									-
Remeasurements of defined employee benefit plans (net of tax)									-
Total comprehensive income for the year	-	-	-	2,035,978	-	-	-	-	2,035,978
Dividends paid (including Dividend Distribution Tax)				(34,612)					(34,612)
Liability taken over by promoters				704,317					704,317
Transferred from / to Securities premium reserve on exercise of stock options									-
Received on exercise of stock options									-
Transferred to group company									-
Stock options lapsed/cancelled during the year									-
Transferred to general reserve									-
Transferred to special economic zone re-investment reserve									-
Balance as at March 31, 2019	-	-	-	2,295,058	-	-	-	-	2,295,058

For

For and on behalf of the Board of
Directors of Indigo Slate Inc

Chartered Accountants

Director

Partner

Director

Indigo Slate Inc.
Statement of Standalone Cash Flows for year ended March 31, 2019
(All amounts in USD)

Particulars	Year ended March 31, 2019	
Cash flow from operating activities		
Profit before taxation		2,712,026
Adjustments for:		
Depreciation and amortisation	168,039	
Employee share based payment expense	-	
(Profit) / loss on sale of investments (net)	-	
Changes in fair value of financial assets at fair value through profit and loss	-	
Dividend income	-	
Interest income	(7)	
Finance costs	349,793	
(Profit) / loss on sale of tangible assets (net)		
Bad Debts written off	4,300	
Provision for doubtful debts (net)	-	
Provisions no longer required and credit balances written back	-	
Unrealised exchange gains / (loss) net		522,125
Operating profit before working capital changes		3,234,151
Change in operating assets and liabilities		
(Increase)/ decrease in other non current financial assets	77,463	
(Increase)/ decrease in other non current assets		
(Increase)/ decrease in trade receivables	(744,388)	
(Increase)/ decrease in other current financial assets	(2,256,021)	
(Increase)/ decrease in other current assets	(81,366)	
Increase/ (decrease) in non current provisions		
Increase/ (decrease) in non current employee benefit obligations		
Increase/ (decrease) in other non current financial liabilities		
Increase/ (decrease) in trade payables	10,082	
Increase/ (decrease) in other current financial liabilities	384,010	
Increase/ (decrease) in current provisions		
Increase/ (decrease) in current employee benefit obligations	31,266	
Increase/ (decrease) in other current liabilities	(773,742)	(3,352,696)
Cash generated from operations		(118,545)
Income taxes paid (net of refunds)		(66,311)
Net cash inflow from operating activities		(184,856)
Cash flow from investing activities		
Purchase of tangible/intangible assets including capital work in progress	18,219	
Investment in Subsidiaries		
Purchase of Business (Refer Note 34)		
Proceeds from sale of tangible/intangible assets		
Purchase of investments (Mutual Funds)		
Sale of investments (Mutual Funds)		
Investment in Non Convertible Debentures		
Interest income received	7	
Dividend income received	-	
Net cash used in investing activities		18,226

Indigo Slate Inc.
Statement of Standalone Cash Flows for year ended March 31, 2019
(All amounts in USD)

Particulars	Year ended March 31, 2019	
Cash flow from financing activities		
Proceeds from issue of Equity Shares		
Dividend on equity shares and tax thereon paid	669,705	
Interest paid	(349,793)	
Repayment of long-term borrowings	(108,466)	
Repayment of short-term borrowings	(715,000)	
Proceeds from short-term borrowings	740,880	
Net cash used in financing activities		237,326
Effect of exchange differences on translation of cash and cash equivalents		
Net increase/(decrease) in cash and cash equivalents		70,696
Cash and cash equivalents at the beginning of the year		920,385
Cash and cash equivalents at the end of the year		991,081

Notes:

a. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

b. Cash and cash equivalents comprise of:

Cash on hand	532
Funds in transit	-
Balances with banks	990,549
Deposits having original maturity of less than three months	-
Total	991,081

For
Chartered Accountants

For and on behalf of the Board
of Directors of
IndigoSlate Inc

Partner

Director

Director

Indigo Slate Inc.

1. Notes accompanying the financial statements as at and for the year ended March 31, 2019

I Corporate Information

Indigo Slate, Inc. (the "Company" or "we") is a digital marketing agency.

The Company was formed in 2006 and is a Washington corporation owned by two individuals. The Company is authorized to issue 100,000,000 shares of common stock with a par value of \$0.00001; 42,170,732 of these shares are issued.

II Summary of significant accounting policies

a. Compliance with Ind AS

These 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. Basis of preparation

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis.

(ii) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current -non current classification of assets and liabilities.

c. Foreign currency translation

(i) Functional and presentation currency:

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in US Dollar (USD), which is the Company's functional and presentation currency.

(ii) Transactions and balances

- Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Profit or Loss and reported within foreign exchange gains/(losses), except when deferred in other comprehensive income as qualifying cash flow hedges.

- A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

- Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other comprehensive income or profit or loss are also recognised in Other comprehensive income or profit or loss, respectively).

d. Revenue Recognition

The Company's contracts have different terms based on the scope, deliverables and complexity of the engagement, the terms of which frequently require us to make judgments and estimates in recognizing revenues. We have many types of contracts, including time and materials contracts, fixed price contracts and contracts with features of both of these contract types.

The Company recognizes revenues from digital marketing contracts using the percentage-of-completion method of accounting, which involves calculating the percentage of services provided during the reporting period compared with the total estimated services to be provided over the duration of the contract. Contracts for digital marketing generally span less than three months. Estimated revenues used in applying the percentage-of-completion method. This method is followed where reasonably dependable estimates of revenues and costs can be made. Estimates of total contract revenues and costs are continuously monitored during the term of the contract, and recorded revenues and estimated costs are subject to revision as the contract progresses. Such revisions may result in increases or decreases to revenues and income and are reflected in the financial statements in the periods in which they are first identified. If our estimates indicate that a contract loss will occur, a loss provision is recorded in the period in which the loss first becomes probable and reasonably estimable. Contract losses are determined to be the amount by which the estimated total direct and indirect costs of the contract exceed the estimated total revenues that will be generated by the contract and are included in Cost of services and classified in Other accrued liabilities.

Revenues from contracts for digital marketing services with fees based on time and materials or cost-plus are recognized as the services are performed and amounts are earned. We consider amounts to be earned once evidence of an arrangement has been obtained, services are delivered, fees are fixed or determinable, and collectability is reasonably assured. In such contracts, our efforts, measured by time incurred, typically are provided in less than a year and represent the contractual milestones or output measure, which is the contractual earnings pattern. For digital marketing contracts with fixed fees, we recognize revenues as amounts become billable in accordance with contract terms, provided the billable amounts are not contingent, are consistent with the services delivered and are earned.

Revenues recognized in excess of billings are recorded as Earned, Unbilled services. Billings in excess of revenues recognized are recorded as Deferred revenues until revenue recognition criteria are met. Client prepayments (even if nonrefundable) are deferred and recognized over future periods as services are delivered or performed.

e. Income Tax

Pre Acquisition:

The Company was treated as an S Corporation for federal income tax purposes. As a result, the shareholders of the Company generally are taxed individually on their proportionate share of the Company's taxable income or loss for the reporting period. The Company may be subject to income and other taxes in certain states and other jurisdictions in which it conducts business. Any such obligations are recorded when due in the accompanying financial statements.

Post Acquisition:

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

(i) Current Income Tax:

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

(ii) Deferred Tax:

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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

Deferred tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

f. Leases

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

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

As a lessee:

Finance Lease: Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Operating lease: Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the statement of profit or loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Deposits provided to lessors: The Company is generally required to pay refundable security deposits in order to obtain property leases from various lessors. Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments.

Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight line basis over the lease term as lease rental expense.

f. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation 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. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

g. Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

h. Property, plant and equipment

Recognition and measurement

The Company capitalizes assets purchased with a cost greater than \$1,000 and an estimated useful life of one or more years. Depreciation is computed utilizing the straight-line method based on useful lives ranging of five years. Gains or losses on dispositions are reflected in earnings. The costs of repairs and maintenance are expensed as incurred. The costs of renewals, replacements and betterments are capitalized.

At the balance sheet date, the Company evaluates the carrying value of its long-lived assets, and the propriety of remaining lives of such assets considering whether any events have occurred or conditions have developed which may indicate that remaining lives or amortization methods require adjustment. If such evaluations were to indicate an impairment of these assets, such impairment would be recognized by a write-down of the applicable assets.

i. Provisions

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material)

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

j. Employee benefits

Compensated absences:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. 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 Profit or Loss in the year in which they arise.

Indigo Slate Inc**Notes to the financial statements as at and for the year ended March 31, 2019****(All amounts in USD, unless otherwise stated)****4 Deferred Tax Asset (net)**

The components of deferred tax assets and liabilities are as follows:

Particulars	As at March 31, 2019
The major components of the deferred tax asset created on :	
Property, plant and equipment and Intangible assets	
Allowance for doubtful debts - trade receivables	
Employee Benefits	57,598
Tax Losses	
Fair value changes on cash flow hedges	
Others	1,654
	59,252
The major components of the deferred tax liability created on :	
Gain on financial assets mandatorily measured at FVTPL - mutual fund units	
Fair value changes on cash flow hedges	
Amortizable goodwill	
	-
Net deferred tax asset / (liability)	59,252

2 Fixed Assets

Particulars	As at March 31, 2019
Gross carrying amount	
As at March 31, 2018	1,297,115
Additions/ (Disposals) during the year	(18,221)
As at March 31, 2019	1,278,895
Accumulated Depreciation	
As at March 31, 2018	339,294
Depreciation during the year	168,039
As at March 31, 2019	507,333
Net carrying amount as at March 31, 2019	771,562

3 Other financial assets : Non current

(Unsecured and considered good unless otherwise stated)

Particulars	As at March 31, 2019
Security deposits	45,646
Total	45,646

5 Trade receivables

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2019
Considered good	1,670,350
Total	1,670,350

6 Cash and cash equivalents

Particulars	As at March 31, 2019
Cash on hand	532
Balances with banks : - In current accounts	990,549
Total	991,081

7 Other financial assets : Current

(Unsecured and considered good unless otherwise stated)

Particulars	As at March 31, 2019
Unbilled revenues	
Considered good	2,339,322
	2,339,322
Total	2,339,322

8 Other Current assets

Particulars	As at March 31, 2019
Advances other than capital advances:	
- advances to employees	7,500
- advances to suppliers	3,465
Others:	
- Prepaid expenses	70,264
- Others	36,190
Total	117,419

9 Equity share capital

Particulars	As at March 31, 2019
Authorised: 100,000,000 Equity Shares	
Total	
Issued, subscribed and Paid up Capital 42,170,732 Equity Shares owned by Zensar Technologies Inc.	2,500
Total	2,500

(i) Reconciliation of the shares outstanding as at the beginning and at the end of the year:

Particulars	As at March 31, 2019	As at March 31, 2019
	Nos	In USD
At the beginning of the year	42,170,732	2,500
Add: Issued during the year	-	-
Outstanding at the end of the year	42,170,732	2,500

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

Name of shareholder	As at March 31, 2019	As at March 31, 2019
	%	Number of shares
Zensar Technologies Inc.	100.00%	42,170,732

10 Reserves and surplus:

Particulars	As at March 31, 2019
Retained earnings	2,295,058
Total reserves and surplus	2,295,058

10 (a) Movement of Reserves and surplus

Particulars	As at March 31, 2019
Retained earnings	
Balance as at the beginning of the year	(410,625)
Add: Profit for the year	2,035,978
Less: Dividends paid	(34,612)
Add: Liability taken over by promoters	704,317
Balance as at the end of the year	2,295,058

11 Borrowings

Particulars	As at March 31, 2018
Current borrowings	
- From Holding Company	740,880
Current borrowings	740,880

12 Trade payables

Particulars	As at March 31, 2019
Current	
Trade payables	921,444
Total	921,444

13 Other financial liabilities

Particulars	As at March 31, 2019
Current	
Accrued salary and benefits	398,512
Others	68,496
Total - Other financial liabilities (Current)	467,008

14 Employee benefit obligations

(i)	
Particulars	As at March 31, 2019
Current	
Provision for compensated absences	146,156
Total	146,156

(ii) Defined contribution plans:

The Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	Year ended Mar 31, 2019
Contribution to Employees' Social Security Fund	716,967
Contribution to Medicare Fund	191,214
Total	908,181

15 Other Current liabilities

Particulars	As at March 31, 2019
Statutory dues	145,419
Unearned revenue	607,178
Total	752,597

16 (a) Income tax assets and liabilities

Particulars	As at March 31, 2019
Income tax assets (net)	-
Income tax liabilities (net)	668,989
Net total	(668,989)

16 (b) Movement

The gross movement in the income tax asset / (liability) is as follows:

Particulars	As at March 31,
Opening Balance	-
Income tax paid (net of refunds)	-
Current income tax expense (refer note 23 (i))	(735,300)
Adjustment for current tax of prior periods (refer note 23 (i))	-
Income tax on other comprehensive income (refer note 23 (iii))	-
Others	66,311
	-
Net total	(668,989)

17 Other income (net)

Particulars	Year ended Mar 31, 2019
Interest Income from financial assets - Carried at amortised cost	
- On deposits with banks	7
- Others	-
Miscellaneous Income	83,918
Total	83,925

18 Employee benefits expense

Particulars	Year ended Mar 31, 2019
Salaries, wages and bonus	14,482,465
Staff welfare expenses	1,229,425
Total	15,711,890

19 Finance Costs

Particulars	Year ended Mar 31, 2019
Bank charges & Discounts	349,793
Total	349,793

20 Other expenses

Particulars	Year ended Mar 31, 2019
Rent	470,980
Rates and taxes	373,279
Travelling and conveyance	575,354
Recruitment expenses	61,727
Training expenses	3,318
Repairs and maintenance to :	-
-Plant and machinery	52,594
-Data Processing Equipments	80,008
-Building	16,454
-Others	21,726
Insurance	54,290
Legal and professional charges	239,549
Communication expenses	530,389
General Office expenses	415,098
Advertisement and publicity	149,189
Allowance for doubtful trade receivables and unbilled revenues	
- Provided during the year	-
- Bad debts written off	4,300
- Less: Reversed during the year	-
	4,300
	-
Miscellaneous expenses	125,758
Total	3,174,013

Indigo Slate Inc**Notes to the financial statements as at and for the year ended March 31, 2019****(All amounts in USD, unless otherwise stated)****21 Tax expense**

This note provides an analysis of Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non- assessable and non-deductible items. It also explains significant estimates made in relation to Company's tax positions

(i) Particulars	Period ended March 31, 2019
Income tax expense	
Current Tax	
Current tax on profits for the year	735,300
Adjustment for current tax of prior periods	-
Total current tax expense	735,300
Deferred tax	
Decrease / (increase) in deferred tax assets	(59,252)
(Decrease) / increase in deferred tax liabilities	
Total deferred tax expense / (benefit)	(59,252)
Income tax expense	676,048

(ii) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate:

Particulars	Period ended March 31, 2019
Profit before taxes	2,712,026
Enacted income tax rate in India	21.00%
Computed expected tax expenses	569,525
Effect of income exempt from tax	
Effect of non deductible expenses	13,862
Changes in unrecognized deferred tax assets (net)	
Income taxed at higher/(lower) rates	13,925
Income tax relating to prior years	
Others	78,735
	676,048

22 Fair value measurements

Financial instruments by category:

Particulars	As at March 31, 2019			
	FVTPL	FVOCI	Derivative financial assets/liabilities	Amortised cost
Financial assets				
Investments:				
- equity instruments				
- mutual funds				
- non convertible debentures				
Trade receivables				1,670,350
Cash and cash equivalents				991,081
Other bank balances				
Derivative financial assets				
Security deposits				
Unbilled revenues				2,339,322
Others				
Total financial assets				5,000,753
Financial liabilities				
Borrowings				740,880
Trade payables				921,444
Capital creditors				
Accrued salaries and benefits				
Derivative financial liabilities				
Contingent consideration				
Other financial liabilities				467,008
Total financial liabilities				2,129,332

23 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk, excluding receivables from related parties, is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

(a) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to USD 1,670,350 as of March 31, 2019 and unbilled revenue amounting to Rs. USD 2,339,322 as of March 31, 2019. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers located in the United States, South Africa, United Kingdom and elsewhere. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of IND AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The company uses a matrix to compute the expected credit loss allowance for trade receivables and unbilled revenue. The provision matrix takes into account available external and internal credit risk factors and company's historical experience for customers.

aa The allowance for life time expected credit loss on customer balances for the year ended March 31, 2019 was USD 4300.

Particulars	31-Mar-19
Balance at the beginning of the year	-
Allowance for doubtful debts	4,300
Reversal of Allowance for doubtful debts	
Balance at the end	4,300

ab Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

(b) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of March 31, 2019, cash and cash equivalents are held with major banks and financial institutions.

ac The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date. The amounts include estimated interest payments and exclude the impact of netting agreements, if any.

Particulars	As at March 31, 2019				
	Contractual cash flows				
	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	740,880	740,880		-	740,880
Trade payables	921,444	921,444	-	-	921,444
Other liabilities	467,008	467,008	-	-	467,008

Indigo Slate Inc**Notes to the financial statements as at and for the year ended March 31, 2019****(All amounts in USD, unless otherwise stated)****24 Capital management**

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

Indigo Slate Inc**Notes to the financial statements as at and for the period ended March 31, 2019****(All amounts in USD unless otherwise stated)****25 Related party disclosures****A List of related parties**

Name of the entity	Relation
Zensar Technologies Limited	Ultimate Parent Company
Zensar Technologies, Inc.	Holding Company
Cynosure Inc	Fellow Subsidiary
Cynosure APAC Pty Ltd, Australia	Fellow Subsidiary
Cynosure Inc UK Ltd (dissolved w.e.f 13th November, 2018)	Fellow Subsidiary
Zensar Technologies (Singapore) Pte. Limited	Fellow Subsidiary
Zensar Technologies (Shanghai) Company Limited	Fellow Subsidiary
Zensar Technologies (UK) Limited	Fellow Subsidiary
Aquila Technology Corp., USA	Fellow Subsidiary
PSI Holding Group, Inc	Fellow Subsidiary
Zensar Technologies IM Inc.	Fellow Subsidiary
Zensar Technologies IM B.V.	Fellow Subsidiary
Professional Access Limited, USA	Fellow Subsidiary
Zensar (Africa) Holdings (Pty) Ltd	Fellow Subsidiary
Zensar (South Africa) Proprietary Limited	Fellow Subsidiary
Foolproof Limited, UK	Fellow Subsidiary
Flow Interactive Limited	Fellow Subsidiary
Knit Limited, UK	Fellow Subsidiary
Foolproof (SG) Pte Limited	Fellow Subsidiary
Keystone Logic Inc., USA	Fellow Subsidiary
Zensar Info Technologies (Singapore) Pte. Ltd.	Fellow Subsidiary
Zensar Information Technologies Limited	Fellow Subsidiary
Zensar Software Technologies Limited	Fellow Subsidiary
Zensar IT Services Limited	Fellow Subsidiary
Cynosure Interface Services Private Limited	Fellow Subsidiary
Keystone Logic Mexico, S. DE R.L. DE C.V.	Fellow Subsidiary
Keystone Technologies Mexico, S. DE R.L. DE C.V.	Fellow Subsidiary

(ii) Key Management Personnel

Name	Designation
Sandeep Sharma	Promoter
Aaron Duggal	Promoter

(iii) Entities where Key management personnel either have significant influence or are members of key management personnel of that entity:

None

(iv) Entities controlled or jointly controlled by the key management personnel of the company:

None

Indigo Slate Inc

Notes to the financial statements as at and for the period ended March 31, 2019

(All amounts in USD unless otherwise stated)

25 Related party disclosures

B Transactions with Related Parties

Description of the Nature of the Transaction	Volume of transactions during 31-Mar-19	Amount Outstanding as on March 31, 2019	
		Receivable	Payable
A. Receipt of Software and other services			
1. Ultimate Holding Company: Zensar Technologies Limited	128,572		128,572
Total Receipt of Software & other services	128,572		128,572
B. Reimbursement of expenses by the Company (Payable) Zensar Technologies Limited Zensar Technologies Inc	14,500		14,500
Total Reimbursement of expenses by the Company	14,500		14,500
C. Reimbursement of expenses to the Company (Receivable) Zensar Technologies Limited Zensar Technologies Inc	46,190	36,190	
Total Reimbursement of expenses to the Company	46,190	36,190	-
D. Loans taken/ (repaid) Zensar Technologies Inc	725,000		725,000
Total Loan taken/ (repaid)	725,000	-	725,000
E. Interest Expense Zensar Technologies Inc	15,880		15,880
Total Interest Expense	15,880	-	15,880
E. Remuneration to Key Management Personnel	-	-	-

26 Earnings per share

Particulars	Year ended March 31, 2019
Profit after tax (Rs. in USD)	2,035,978
Basic Earnings Per Share	
Weighted average number of equity shares outstanding during the year (In no's)	42,170,732
Basic EPS USD	0.05
Diluted Earnings Per Share	
Weighted average number of equity shares outstanding during the year (In no's)	42,170,732
Effect of dilutive issue of stock options (In no's)	
Weighted average number of equity shares outstanding for diluted EPS (In no's)	42,170,732
Diluted EPS USD	0.05

27 Segment Reporting

The company is mainly engaged in the business of digital marketing. As the company is engaged in only one operating segment, the balance sheet as at 31st March, 2019 and Statement of Profit and Loss for the year pertain to only one operating segment.

For
Chartered Accountants

For and on behalf of
Indigo Slate Inc.

Partner

Director

Director