

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Affle (India) Private Limited

**Report on the Ind AS financial statements**

We have audited the accompanying Ind AS financial statements of Affle (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of Other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.



## **Emphasis of Matter**

We draw attention to Note 37 to the financial statements, which indicate that business combination under common control has been accounted for using purchase method in accordance with previous GAAP as prescribed under court scheme instead of using pooling interest method as prescribed under Ind AS 103 Business Combinations as the approved court scheme will prevail over applicable accounting standard.

Our opinion is not qualified in respect of this matter.

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

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report dated June 16, 2018 in "Annexure 2" to this report;



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

(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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



---

per **Yogesh Midha**

Partner

Membership Number: 94941

Place of Signature: Gurugram

Date: June 16, 2018



**Annexure 1 referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements' of our report of even date**

**Re: Affle (India) Private Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
  - (c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the Company and accordingly, the requirements under paragraph 3(i) (c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given by the management, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given by the management, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of paragraph 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, sales-tax, customs duty, excise duty, cess have been regularly deposited with the appropriate authorities though there have been significant delays in few cases of service tax and ESI
  - (b) According to the information and explanations given by the management, no undisputed amounts payable in respect of income-tax, service tax, provident fund and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us, there are no dues of income tax, service tax, excise duty, value added tax and cess which have not been deposited on account of any dispute
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the money raised by way of term loan for the purposes for which it was raised.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Companies Act, 2013 are not applicable to the Company and hence reporting under paragraph 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of paragraph 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Yogesh Midha**

Partner

Membership Number: 94941

Place of Signature: Gurugram

Date: June 16, 2018



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AFFLE (INDIA) PRIVATE LIMITED**

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

We have audited the internal financial controls over financial reporting of Affle (India) Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

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

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



---

per **Yogesh Midha**  
Partner  
Membership Number: 94941  
Place of Signature: Gurugram  
Date: June 16, 2018



Balance Sheet as at March 31, 2018


Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>I. Non-current assets</b>				
(a) Property, plant and equipment	3	3.67	3.63	5.48
(b) Capital work-in-progress	3	-	-	1.26
(c) Goodwill		59.24	59.24	39.24
(d) Other intangible assets	4	83.18	80.14	33.06
(e) Intangible assets under development	4	-	3.06	39.75
(f) Financial Assets				
(i) Investments	5	0.26	0.20	-
(ii) Loans	6	5.83	6.31	6.28
(g) Deferred tax asset (net)	8	4.94	18.96	20.74
(h) Non current tax asset (net)	9	-	-	3.16
(i) Other non-current assets	10	0.05	0.32	0.86
<b>Total Non-current assets</b>		<b>162.17</b>	<b>171.86</b>	<b>169.83</b>
<b>II. Current assets</b>				
(a) Financial Assets				
(i) Trade receivables	11	158.23	135.30	162.99
(ii) Cash and cash equivalents	12	136.71	57.89	78.69
(iii) Other bank balance other than (ii) above	12	8.20	29.58	-
(iv) Loans	6	1.62	0.39	5.34
(v) Other financial assets	7	77.29	38.93	67.88
(b) Current tax asset (net)	9	24.35	28.48	25.53
(c) Other current assets	10	11.74	24.46	30.05
<b>Total Current assets</b>		<b>418.14</b>	<b>315.03</b>	<b>370.48</b>
<b>Total Assets</b>		<b>580.31</b>	<b>486.89</b>	<b>540.31</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital	13	242.88	242.88	242.88
(b) Other equity	13	58.77	(32.57)	(45.22)
		<b>301.65</b>	<b>210.31</b>	<b>197.66</b>
<b>LIABILITIES</b>				
<b>I. Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	14	-	5.26	40.40
(b) Provisions	15	11.42	9.12	9.98
<b>Total Non-current liabilities</b>		<b>11.42</b>	<b>14.38</b>	<b>50.38</b>
<b>II. Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	14	-	28.34	-
(ii) Trade payables	16	220.24	160.08	229.84
(iii) Other financial liabilities	17	24.89	59.66	38.27
(b) Provisions	15	1.07	1.47	5.19
(c) Other current liabilities	18	21.04	12.65	19.00
<b>Total Current liabilities</b>		<b>267.24</b>	<b>262.20</b>	<b>292.30</b>
<b>Total Equity and Liabilities</b>		<b>580.31</b>	<b>486.89</b>	<b>540.31</b>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.


As per our report of even date


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

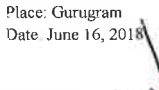
  
per Yogesh Midha  
Partner  
Membership No. 94941  
Place Gurugram  
Date June 16, 2018



For and on behalf of the Board of Directors of  
Affle (India) Private Limited  
CIN No. U65990MH1994PTC080451

  
Anuj Khanna Sohni  
Managing Director & Chief Executive Officer  
[DIN: 01363666]  
Place: Gurugram  
Date: June 16, 2018

  
Anuj Kumar  
Director  
[DIN: 01400273]  
Place: Gurugram  
Date: June 16, 2018

  
Kapil Mohan Bhutani  
Director and Chief Financial Officer  
[DIN: 00554760]  
Place: Gurugram  
Date: June 16, 2018

  
Akanksha Gupta  
Company Secretary  
Membership No. 29443  
Place: Gurugram  
Date: June 16, 2018






Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>I REVENUE</b>			
Revenue from operations	19	837.56	656.29
Other income	20	11.22	15.79
<b>Total revenue (I)</b>		<b>848.78</b>	<b>672.08</b>
<b>II EXPENSES</b>			
Inventory and data costs		424.27	323.78
Employee benefits expense	21	159.52	176.23
Finance costs	22	10.78	15.86
Depreciation and amortization expense	23	32.13	23.07
Other expenses	24	86.12	121.06
<b>Total expenses (II)</b>		<b>712.82</b>	<b>660.00</b>
<b>III Profit before tax (I-II)</b>		<b>135.96</b>	<b>12.08</b>
<b>IV Tax expense:</b>	8		
(1) Current tax		46.20	1.82
(2) Deferred tax (credit)/ charge (includes adjustment of MAT credit entitlement amounting to INR Nil (March 31, 2017: INR 1.82 million))		1.45	4.14
<b>V Profit for the year (III-IV)</b>		<b>88.31</b>	<b>6.12</b>
<b>VI Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Statement of profit and loss</b>			
Re-measurement gains/(losses) on defined benefit plans	25	(0.12)	4.53
Income tax effect	8	0.04	(1.40)
<b>Other Comprehensive Income net of tax</b>		<b>(0.08)</b>	<b>3.13</b>
<b>VII Total Comprehensive Income for the year (V + VI)</b>		<b>88.23</b>	<b>9.25</b>
<b>VIII Earnings per equity share:</b>			
(1) Basic	26	3.64	0.25
(2) Diluted		3.64	0.25
<b>Summary of significant accounting policies</b>	2		


The accompanying notes are an integral part of the financial statements.


As per our report of even date  
For S.R. BATLIBOI & ASSOCIATES LLP  
ICAI Firm's Registration No.: 101049W/E300004  
Chartered Accountants

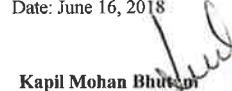
  
per Yogesh Midha  
Partner  
Membership No.: 94941  
Place: Gurugram  
Date: June 16, 2018



For and on behalf of the Board of Directors of  
Affle (India) Private Limited  
CIN No. U65990MH1994PTC080451

  
Anuj Rhanna Sohum  
Managing Director & Chief Executive Officer  
[DIN: 01363666]  
Place: Gurugram  
Date: June 16, 2018

  
Anuj Kumar  
Director  
[DIN 01400273]  
Place: Gurugram  
Date: June 16, 2018

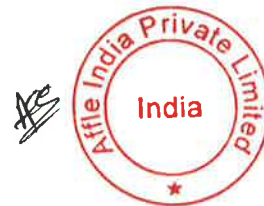
  
Kapil Mohan Bhutani  
Director and Chief Financial Officer  
[DIN. 00554760]  
Place: Gurugram  
Date: June 16, 2018



  
Akanksha Gupta  
Company Secretary  
Membership No. 29443  
Place: Gurugram  
Date: June 16, 2018

Cash Flow Statement for the Year Ended March 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A Cash Flow from Operating Activities</b>		
<b>Profit Before Tax</b>	135.96	12.08
<b>Adjustments for :</b>		
Depreciation and amortization	32.13	23.07
Allowance for impairment of trade receivables and unbilled revenue	11.22	11.21
Liabilities no longer required written back	-	(4.08)
Employee stock option compensation cost	3.11	3.43
Loss/ (Gain) on disposal of property, plant and equipment and intangible assets (net)	0.06	(0.05)
Interest income	(2.10)	(3.90)
Interest expense	10.24	14.85
Unrealised foreign exchange (gain)/ loss	(0.30)	(1.13)
Advances given written off	0.04	2.10
<b>Operating profit before working capital changes</b>	<b>190.36</b>	<b>57.58</b>
<b>Change in working capital:</b>		
Decrease/ (increase) in trade receivables	(32.21)	14.60
Decrease/ (increase) in financial assets	(40.84)	35.33
Decrease in other assets	12.95	4.03
Increase/ (decrease) in trade payables	60.47	(67.85)
Increase in other financial liabilities	2.59	22.30
increase/ (decrease) in other liabilities	8.38	(2.27)
Increase/ (decrease) in provisions	1.78	(0.05)
<b>Cash generated from operations</b>	<b>203.48</b>	<b>63.67</b>
Direct taxes paid (net of refunds)	(29.46)	(5.37)
<b>Net cash generated from operating activities (A)</b>	<b>174.02</b>	<b>58.30</b>
<b>B Cash Flow from Investing Activities:</b>		
Purchase of property, plant & equipment, intangible assets including Capital work in progress	(37.25)	(32.30)
Proceeds from sale of property, plant and equipment and intangible assets	0.04	1.53
Purchase of non-current investments	(0.06)	(0.20)
Investments in bank deposits (having original maturity of more than three months)	-	(36.61)
Redemption in bank deposits (having original maturity of more than three months)	21.38	7.03
Interest received	1.89	3.54
<b>Net cash used in investing activities (B)</b>	<b>(14.00)</b>	<b>(57.01)</b>



Handwritten signature in blue ink.

Cash Flow Statement for the Year Ended March 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>C Cash flow from financing activities:</b>		
Interest paid	(10.03)	(13.60)
Proceeds from borrowings	-	28.34
Repayment of borrowings	(71.17)	(36.83)
<b>Net cash used from financing activities (C)</b>	<b>(81.20)</b>	<b>(22.09)</b>
<b>Net change in cash and cash equivalents (A+B+C)</b>	<b>78.82</b>	<b>(20.80)</b>
Cash and cash equivalents as at the beginning of year	57.89	78.69
<b>Cash and cash equivalents as at the end of year</b>	<b>136.71</b>	<b>57.89</b>
<b>Components of cash and cash equivalents</b>		
Balance with banks:		
In current account	116.36	57.66
Deposits with original maturity for less than three months	20.00	-
Cash on hand	0.35	0.23
<b>Total cash and cash equivalents</b>	<b>136.71</b>	<b>57.89</b>

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

Particulars	March 31, 2017	Cash flows	Fair value changes	March 31, 2018
Long-term borrowings	42.09	(42.83)	0.74	-
Short-term borrowings	28.34	(28.34)	-	-
<b>Total liabilities from financing activities</b>	<b>70.42</b>	<b>(71.16)</b>	<b>0.74</b>	<b>-</b>

Summary of significant accounting policies

2


The accompanying notes are an integral part of the financial statements.


As per our report of even date

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


  
per Yogesh Midha  
Partner  
Membership No.: 94941  
Place: Gurugram  
Date: June 16, 2018



  
Anuj Khanna Sohum  
Managing Director & Chief Executive Officer  
[DIN: 01363666]  
Place: Gurugram  
Date: June 16, 2018

  
Kapil Mohan Bhutani  
Director and Chief Financial Officer  
[DIN: 00554760]  
Place: Gurugram  
Date: June 16, 2018

For and on behalf of the Board of Directors of  
Affle (India) Private Limited  
CIN No. U65990MH1994PTC080451

  
Anuj Kumar  
Director  
[DIN: 01400273]  
Place: Gurugram  
Date: June 16, 2018

  
Akanksha Gupta  
Company Secretary  
Membership No.: 29443  
Place: Gurugram  
Date: June 16, 2018



**Affle (India) Private Limited**  
(Amount in INR million, unless otherwise stated)

**Statement of Changes in Equity**

**Equity Share Capital**

Particulars	Number of shares	Amount (Rs.)
Balance as at April 01, 2016	24,288,314	242.88
Issued during the year	-	-
Balance as at March 31, 2017	24,288,314	242.88
Issued during the year	-	-
Balance as at March 31, 2018	24,288,314	242.88

**Other Equity**

Particulars	Retained earnings	Share application money pending allotment (Refer note 41)	Capital contribution from Parent-Employee Share Based Payment (Refer note 35)	Total
As at April 01, 2016	(46.89)	0.00	1.64	(45.25)
Profit for the year	6.12	-	-	6.12
Other comprehensive income	3.13	-	-	3.13
<b>Total comprehensive income</b>	<b>9.25</b>	-	-	<b>9.25</b>
Written back during the year	-	(0.00)	-	(0.00)
Share based payments (Refer to note 35)	-	-	3.43	3.43
<b>As at March 31, 2017</b>	<b>(37.64)</b>	-	<b>5.07</b>	<b>(32.57)</b>
Profit for the year	88.31	-	-	88.31
Other comprehensive income	(0.08)	-	-	(0.08)
	<b>88.23</b>	-	-	<b>88.23</b>
Share based payments (Refer to note 35)	-	-	3.11	3.11
<b>As at March 31, 2018</b>	<b>50.59</b>	-	<b>8.18</b>	<b>58.77</b>

As per our report of even date


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




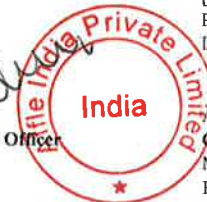
per Yogesh Midha  
Partner  
Membership No.: 94941  
Place: Gurugram  
Date: June 16, 2018



  
Anuj Khanna Sohoni  
Managing Director & Chief Executive Officer  
[DIN: 01363666]  
Place: Gurugram  
Date: June 16, 2018

  
Anuj Kumar  
Director  
[DIN: 01400273]  
Place: Gurugram  
Date: June 16, 2018

  
Kapil Mohan Bhutani  
Director and Chief Financial Officer  
[DIN: 00554760]  
Place: Gurugram  
Date: June 16, 2018



  
Akanksha Gupta  
Company Secretary  
Membership No.: 29443  
Place: Gurugram  
Date: June 16, 2018



**1. CORPORATE INFORMATION**

Affle (India) Private Limited ("the Company"), is a private limited Company, domiciled in India, incorporated under the provisions of the Companies Act, 1956, and is a subsidiary of Affle Holdings Pte Ltd. The Company was incorporated on 18 August 1994. The Company is engaged in providing mobile advertisement services through information technology and software development services for mobiles.

The registered office of the Company is situated at 402, 4<sup>th</sup> Floor, Akruti Orion, Shradhanand Road, Vile Parle (East), Mumbai, India – 400057. The principal place of business is in Haryana, India.

These financial statements were authorized for issue in accordance with the resolution of directors on June 16, 2018

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**i) Basis of preparation of financial statements**

The financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2018 are the first financial statements of the Company under Ind AS. Reconciliations and descriptions of the effect of the transition has been summarized in Note 38.

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

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

**ii) Business combinations under common control**

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

The Company accounts for its business combination under common control using pooling of interest method of accounting as per Appendix C of Ind AS 103. Acquisition related costs are recognized in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the definition for recognition are recognized at their carrying amount at the acquisition date.

Transferor's reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appear in the financial statements of the transferor.

Acquisition date shall be the beginning of the preceding period in case the common control is established prior to such date. However, if business combination had occurred after such date, the acquisition date shall be considered only from that date.

**iii) Current versus non-current classification**

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

An asset is treated as current when it is:



Handwritten signatures and initials in blue ink, including a signature that appears to be 'AGS' and another signature to the right.

## Affle (India) Private Limited

### Notes forming part of financial statements for the year ended 31 March 2018

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

#### iv) **Property, plant and equipment**

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

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

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

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

#### v) **Depreciation on property, plant and equipment**

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

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

Asset Category	Useful lives estimated by management
Computers	3 years



## Affle (India) Private Limited

### Notes forming part of financial statements for the year ended 31 March 2018

Office equipments	5 years
Furniture and fixtures	10 years
Motor vehicles	8 years

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

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

#### vi) Intangible assets

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

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

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

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

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

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

#### Research and development costs

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

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



## Affle (India) Private Limited

### Notes forming part of financial statements for the year ended 31 March 2018

- The ability to measure reliably the expenditure attributable to the intangible asset during development.

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

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

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

#### vii) **Borrowing costs**

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

#### viii) **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 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

#### **Where the Company is the lessee**

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

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

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

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

#### ix) **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's





## Affle (India) Private Limited

### Notes forming part of financial statements for the year ended 31 March 2018

(CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

#### x) **Financial instruments**

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

##### **Financial assets**

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

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

###### ***Subsequent measurement***

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

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

###### ***Debt instruments at amortized cost***

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual



Handwritten signatures in blue ink, including a large signature and a smaller one below it.

**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended 31 March 2018**

cash flows, and

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

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

*Debt instrument at FVTOCI*

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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

*Debt instrument at FVTPL*

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

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

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

*Equity Investments*

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

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

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



Handwritten signature in blue ink, possibly 'f h'.

Handwritten signature in blue ink, possibly 'A'.

**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended 31 March 2018**

***Derecognition***

A financial asset is de-recognized only when

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

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

***Impairment of financial assets***

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

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

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

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

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

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

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

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



Handwritten signature and initials in blue ink.

**Affie (India) Private Limited**  
**Notes forming part of financial statements for the year ended 31 March 2018**

from the gross carrying amount.

**Financial liabilities**

***Initial recognition and measurement***

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

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

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

***Subsequent measurement***

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

***Financial liabilities at fair value through profit or loss***

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

***Loans and borrowings***

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

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

This category generally applies to borrowings. For more information refer Note 14.

***De-recognition***

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

***Offsetting of financial instruments***

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

xi) **Fair value measurement**

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

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



Handwritten signatures and initials in blue ink, including a large 'A' and 'AD'.

## Affle (India) Private Limited

### Notes forming part of financial statements for the year ended 31 March 2018

presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

#### xii) Revenue recognition

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

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

#### Advertisement

Revenue from rendering of advertisement services is recognized on accrual basis as and when services are rendered based on the terms of contracts. The Company collects taxes on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.



4  
AD

**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended 31 March 2018**

**Software development**

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

**Interest**

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

xiii) **Foreign currencies**

**Functional and presentational currency**

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

**Transactions and balances**

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

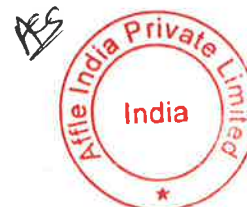
xiv) **Retirement and other employee benefits**

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

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

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and



Handwritten signatures and initials in blue ink, including 'AES', 'A', 'J', and 'A'.

## Affle (India) Private Limited

### Notes forming part of financial statements for the year ended 31 March 2018

- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

#### xv) Taxes

Income tax expense comprises current and deferred tax.

##### Current tax

Current income-tax assets and liabilities is measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### Deferred tax

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

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

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

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

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

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

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

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



AD

**Affle (India) Private Limited**

**Notes forming part of financial statements for the year ended 31 March 2018**

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

**Minimum Alternate Tax (MAT)**

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

**xvi) Cash and cash equivalents**

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

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

**xvii) 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 resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

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

**xviii) Contingent liabilities**

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

**xix) Share based payments**

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

**Equity-settled transactions**

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



Handwritten signatures and initials in blue ink, including a large 'A' and a signature that appears to be 'A'.



## Affle (India) Private Limited

### Notes forming part of financial statements for the year ended 31 March 2018

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

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

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

#### xx) Earnings per share

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

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

#### xxi) Segment reporting

##### *Identification of segments*

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

##### *Inter-segment transfers*

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

##### *Allocation of common costs*

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

##### *Unallocated items*

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

##### *Segment accounting policies*

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

#### xxii) Recent accounting pronouncements issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.



AO

## Affle (India) Private Limited

### Notes forming part of financial statements for the year ended 31 March 2018

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

#### **Ind AS 115 Revenue from Contracts with Customers**

Revenue from contracts with customers outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most current revenue recognition guidance. The core principle for the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively including service revenues and contract modifications and improve guidance for multiple-element arrangements. The new standard will come into effect for the annual reporting periods beginning on or after April 1, 2018.

The Company is evaluating the requirements of the new standard and the effect on the financial statements is expected to be insignificant.

#### **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealized Losses**

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

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose the fact.

These amendments are effective for annual periods beginning on or after April 1, 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

#### **Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognized on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the interpretation, the Company does not expect any effect on its financial statements.



Handwritten signature in blue ink.

Affle (India) Private Limited  
Notes forming part of financial statements for the year ended March 31, 2018  
(Amount in INR million, unless otherwise stated)

3. Property, plant and equipment

Particulars	Computers	Furniture and fixtures	Office equipments	Motor Vehicles	Total	Capital Work in Progress
<b>Gross block</b>						
As at April 01, 2016	3.69	-	1.44	0.35	5.48	1.26
Additions	0.21	1.53	0.13	-	1.87	-
Disposals	0.20	-	0.02	-	0.22	-
Capitalised	-	-	-	-	-	1.26
<b>As at March 31, 2017</b>	<b>3.70</b>	<b>1.53</b>	<b>1.55</b>	<b>0.35</b>	<b>7.13</b>	-
Additions	0.37	-	-	1.60	1.97	-
Disposals	2.14	-	-	-	2.14	-
<b>As at March 31, 2018</b>	<b>1.93</b>	<b>1.53</b>	<b>1.55</b>	<b>1.95</b>	<b>6.96</b>	-
<b>Accumulated Depreciation</b>						
As at April 01, 2016	-	-	-	-	-	-
Charge for the year	2.21	0.48	0.69	0.12	3.50	-
Deductions	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>2.21</b>	<b>0.48</b>	<b>0.69</b>	<b>0.12</b>	<b>3.50</b>	-
Charge for the year	0.71	0.34	0.38	0.40	1.83	-
Deductions	2.04	-	-	-	2.04	-
<b>As at March 31, 2018</b>	<b>0.88</b>	<b>0.82</b>	<b>1.07</b>	<b>0.52</b>	<b>3.29</b>	-
<b>Net block</b>						
As at March 31, 2018	1.05	0.71	0.48	1.43	3.67	-
As at March 31, 2017	1.49	1.05	0.86	0.23	3.63	-
As at April 01, 2016	3.69	-	1.44	0.35	5.48	1.26



AS

& k

(This space has been intentionally left blank)

AO

**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**4. Other Intangible Assets**

Particulars	Computer Software	Mobile application	Total	Intangible assets under development
<b>Gross block</b>				
As at April 01, 2016	23.96	44.17	68.13	39.75
Additions	0.34	66.31	66.65	-
Disposals	-	-	-	-
Capitalised	-	-	-	36.69
As at March 31, 2017	24.30	110.48	134.78	3.06
Additions	0.42	37.92	38.34	-
Disposals	-	-	-	-
Capitalised	-	-	-	3.06
As at March 31, 2018	24.72	148.40	173.12	-
<b>Accumulated Amortisation</b>				
As at April 01, 2016	22.21	12.86	35.07	-
Charge for the year	0.45	19.12	19.57	-
Disposals	-	-	-	-
As at March 31, 2017	22.66	31.98	54.64	-
Charge for the year	0.70	29.60	30.30	-
Disposals	-	-	-	-
As at March 31, 2018	23.36	61.58	84.94	-
<b>Net block</b>				
As at March 31, 2018	1.36	86.82	88.18	-
As at March 31, 2017	1.64	78.50	80.14	3.06
As at April 01, 2016	1.75	31.31	33.06	39.75



Handwritten initials 'AS' below the red stamp.

Handwritten initials 'f' and 'm' to the right of the red stamp.

(This space has been intentionally left blank)

Handwritten signature 'A' at the bottom right of the page.

**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**Financial assets**

**5. Investments**

	Non-current		
	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
<b>Investment at fair value through profit or loss (FVTPL)</b>			
101 (March 31, 2017: 101, April 01, 2016: Nil) preference shares with face value of Rs. 10 each and with premium of Rs. 1,972 each in OOO Marketplaces Private Limited	0.20	0.20	-
50 (March 31, 2017: Nil, April 01, 2016: Nil) equity shares with face value of Rs. 10 each and with premium of Rs. 1,219 each in OOO Marketplaces Private Limited	0.06	-	-
<b>Total</b>	<b>0.26</b>	<b>0.20</b>	<b>-</b>
<b>Aggregate amount of unquoted investments</b>	<b>0.26</b>	<b>0.20</b>	<b>-</b>
<b>Aggregate amount of impairment in the value of investments</b>	<b>-</b>	<b>-</b>	<b>-</b>

**6. Loans**

	Non-current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
<b>At amortised cost</b>						
<b>Security deposits</b>						
Secured, considered good	5.83	6.31	6.28	0.98	-	5.08
<b>Loans to employees</b>						
Unsecured, considered good	-	-	-	0.64	0.39	0.26
<b>Total</b>	<b>5.83</b>	<b>6.31</b>	<b>6.28</b>	<b>1.62</b>	<b>0.39</b>	<b>5.34</b>

**7. Other financial assets**

	Current		
	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
<b>At amortised cost</b>			
<b>Unsecured, considered good unless otherwise stated</b>			
Interest accrued but not due on deposit	0.10	0.07	0.66
Unbilled revenue [net of allowance for impairment amounting to Rs. 3.91 million (March 31, 2017: Rs. 1.97 million, April 01, 2016: Rs. 3.06 million)]	77.19	38.85	60.51
Advances to related parties (Refer note 30)	-	-	6.71
Other financial assets	-	0.01	-
<b>Total</b>	<b>77.29</b>	<b>38.93</b>	<b>67.88</b>

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.



Handwritten signatures and initials in blue ink, including a large signature and initials 'AT' and 'AD'.

8. Income Tax

The major component of income tax expense are as follows:

(a) Statement of profit and loss:

	For the year ended	
	March 31, 2018	March 31, 2017
<b>Current income tax:</b>		
Current income tax charge	46.20	1.82
Adjustment in respect of current income tax of previous year	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	1.45	4.14
<b>Income tax expense reported in the statement of profit or loss</b>	<b>47.65</b>	<b>5.96</b>

(b) Other Comprehensive Income (OCI) section:

Deferred tax relating to items in OCI in the year:

	March 31, 2018	March 31, 2017
Net (loss)/gain on measurement of defined benefit plans	(0.04)	1.40
<b>Income tax charged to OCI</b>	<b>(0.04)</b>	<b>1.40</b>

(c) Reconciliation of tax expense and the accounting profit multiplied by the applicable tax rate(s) for the year ended March 31, 2018

	March 31, 2018	March 31, 2017
<b>Accounting profit before income tax</b>	<b>135.96</b>	<b>12.08</b>
At India's statutory income tax rate of 34.61% (March 31, 2017: 30.90%)	47.05	3.74
Share based payment	1.08	1.06
Non-deductible expenses for tax purposes	0.44	0.39
Rate difference	(0.92)	0.78
<b>Effective income tax rate of 35.05% (March 31, 2017: 49.34%)</b>	<b>47.65</b>	<b>5.96</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>47.65</b>	<b>5.96</b>

(d) Deferred tax:

Deferred tax relates to the following:

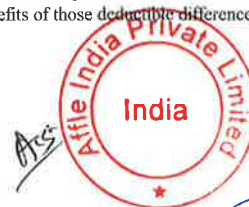
	Balance sheet		
	March 31, 2018	March 31, 2017	April 01, 2016
Fixed assets: impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	2.40	0.49	1.66
Impact of fair valuation of financial instruments	0.01	(0.21)	(0.77)
Impact of expenditure charged to the statement of profit and loss in the current year and earlier years but allowable for tax purposes on payment basis	4.27	3.05	4.58
Allowance for impairment of trade receivables and unbilled revenue	10.11	8.05	8.22
Losses available for offsetting against future taxable income	-	2.98	4.82
Tax deductible goodwill	(11.85)	(8.01)	(4.81)
MAT credit entitlement	-	12.61	7.04
<b>Deferred tax asset (net)</b>	<b>4.94</b>	<b>18.96</b>	<b>20.74</b>

Reconciliation of deferred tax asset (net):

	March 31, 2018	March 31, 2017	April 01, 2016
<b>Opening balance</b>	<b>18.96</b>	<b>20.74</b>	<b>31.44</b>
Tax income/(expense) during the period recognised in profit or loss	(1.45)	(4.14)	(6.73)
Tax income/(expense) during the period recognised in OCI	0.04	(1.40)	(0.78)
MAT credit entitlement	(12.61)	3.76	(3.19)
<b>Closing balance of deferred tax asset (net)</b>	<b>4.94</b>	<b>18.96</b>	<b>20.74</b>

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

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



**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**9. Tax Assets (net)**

	Non-current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Advance tax (net of provision for tax amounting to Rs. 43.83 million (March 31, 2017: Rs. 9.88 million, April 01, 2016: Rs. 8.71 million))	-	-	3.16	24.35	28.48	24.31
TDS Refundable	-	-	-	-	-	1.22
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3.16</b>	<b>24.35</b>	<b>28.48</b>	<b>25.53</b>

**10. Other Assets**

	Non-current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
<b>Unsecured, considered good</b>						
Prepaid expenses	-	-	-	0.11	1.16	1.80
Deferred lease expense on security deposits paid	0.05	0.32	0.86	0.38	0.49	0.89
Balance with statutory/government authorities	-	-	-	6.62	16.16	23.10
<b>Advances other than capital advances</b>						
Unsecured, considered good	-	-	-	4.63	6.65	4.26
<b>Total</b>	<b>0.05</b>	<b>0.32</b>	<b>0.86</b>	<b>11.74</b>	<b>24.46</b>	<b>30.05</b>

**11. Trade Receivables**

	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
<b>Unsecured, considered good</b>			
Trade receivables from related parties (Refer to note 30)	4.26	46.23	23.31
Trade receivables from other than related parties	153.97	89.07	139.68
	<b>158.23</b>	<b>135.30</b>	<b>162.99</b>
<b>Unsecured, considered doubtful</b>			
Trade receivables from other than related parties	25.30	24.09	22.27
	<b>25.30</b>	<b>24.09</b>	<b>22.27</b>
Allowance for impairment of trade receivables	(25.30)	(24.09)	(22.27)
<b>Total</b>	<b>158.23</b>	<b>135.30</b>	<b>162.99</b>

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

	For the year ended	
	March 31, 2018	March 31, 2017
Opening balance	24.09	22.27
Additions	11.22	11.21
Bad debts written off (net of recovery)	(10.01)	(9.39)
<b>Closing balance</b>	<b>25.30</b>	<b>24.09</b>

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

For terms and conditions relating to related party receivables, refer to note 30

Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days.



Handwritten signature and initials in blue ink.

Affle (India) Private Limited  
Notes forming part of financial statements for the year ended March 31, 2018  
(Amount in INR million, unless otherwise stated)

12. Cash and Bank Balances

	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
<b>(i) Cash and Cash Equivalents</b>			
<b>Balances with banks:</b>			
In current accounts (including in transit amount of Rs. 41.66 million)	116.36	57.66	50.37
Deposits with original maturity for less than three months	20.00	-	27.00
Cash on hand	0.35	0.23	1.32
<b>Total</b>	<b>136.71</b>	<b>57.89</b>	<b>78.69</b>

**(ii) Other bank balances**

Deposits with original maturity for more than three months but less than twelve months	8.20	29.58	-
	<b>8.20</b>	<b>29.58</b>	

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

	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
<b>Balances with banks:</b>			
In current accounts (including in transit amount of Rs. 41.66 million)	116.36	57.66	50.37
Deposits with original maturity for less than three months	20.00	-	27.00
Cash on hand	0.35	0.23	1.32
<b>Total</b>	<b>136.71</b>	<b>57.89</b>	<b>78.69</b>

The details of specified bank notes held and transacted during the period November 8, 2016 to December 30, 2016 are provided below:-

	Specified bank notes	Other denomination notes	Total
Closing cash in hand as at November 8, 2016	0.92	0.15	1.07
(+) Permitted receipts	-	0.20	0.20
(-) Permitted payments	-	0.20	0.20
(-) Amount deposited in banks	0.92	-	0.92
Closing cash in hand as at December 30, 2016	-	0.15	0.15



(This space has been intentionally left blank)

AS

AD



13. Share Capital

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
<b>Authorized share capital</b>			
25,000,000 (March 31, 2017: 25,000,000, April 01, 2016: 25,000,000) equity shares of Rs. 10 each	250.00	250.00	250.00
<b>Issued share capital</b>			
24,288,314 (March 31, 2017: 24,288,314, April 01, 2016: 24,288,314) equity shares of Rs. 10 each fully paid up	242.88	242.88	242.88
	<b>242.88</b>	<b>242.88</b>	<b>242.88</b>
<b>Subscribed and fully paid-up share capital</b>			
24,288,314 (March 31, 2017: 24,288,314, April 01, 2016: 24,288,314) equity shares of Rs. 10 each fully paid up	242.88	242.88	242.88
	<b>242.88</b>	<b>242.88</b>	<b>242.88</b>

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

Particulars	As at					
	March 31, 2018		March 31, 2017		March 31, 2016 (Proforma)	
	No. of shares	Amt	No. of shares	Amt	No. of shares	Amt
Opening balance	24,288,314	242.88	24,288,314	242.88	24,288,314	242.88
Shares issued						
Shares bought back						
Closing Balance	<b>24,288,314</b>	<b>242.88</b>	<b>24,288,314</b>	<b>242.88</b>	<b>24,288,314</b>	<b>242.88</b>

B. Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. The holders of equity shares are entitled to receive dividends and are entitled to one vote per share. In the event of liquidation, equity shareholders will be entitled to receive assets of the Company in proportion to the number of shares held to the total equity shares outstanding as on that date.

C. Shares held by Holding Company, ultimate holding company and/or their subsidiaries.

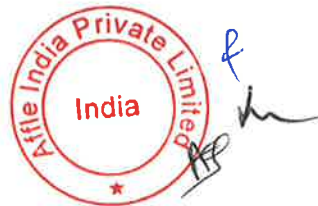
Out of the equity shares issued by the Company, shares held by its Holding Company, ultimate holding company and its subsidiaries are as below:

Particulars	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Affle Holdings Pte Limited, Singapore, ultimate Holding Company</b>			
20,270,367 (March 31, 2017: 20,270,367, April 01, 2016: 20,270,367) equity shares of Rs. 10 each fully paid up	202.70	202.70	202.70
<b>Affle Limited, United Kingdom, subsidiary of Affle Holdings Pte Limited</b>			
34,74,480 (March 31, 2017: 3,474,480, April 01, 2016: 3,474,480) equity shares of Rs. 10 each fully paid up	-	34.74	34.74
<b>Affle Global Pte Limited (earlier known as Affle Appstudios Pte Ltd), Singapore, subsidiary of Affle Holdings Pte Limited</b>			
4,017,913 (March 31, 2017: 543,433, April 01, 2016: 543,433) equity shares of Rs. 10 each fully paid up	40.17	5.43	5.43

D. Details of shareholders holding more than 5% shares

Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
Equity shares of Rs. 10 each fully paid						
Affle Holdings Pte Limited, Singapore	20,270,367	83.46%	20,270,367	83.46%	20,270,367	83.36%
Affle Limited, United Kingdom	-	-	3,474,480	14.31%	3,474,480	14.31%
Affle Global Pte Limited, Singapore	4,017,913	16.54%	-	-	-	-

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



Handwritten initials 'AO' in blue ink.

**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**14. Borrowings**

	Non-Current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Term loan from financial institution (secured)	-	5.26	40.40	-	36.83	36.83
Less: Amount disclosed under the head 'Other current financial liabilities'	-	-	-	-	(35.83)	(35.83)
Cash credit facility from bank (secured)	-	-	-	-	28.34	-
<b>Total</b>	<b>-</b>	<b>5.26</b>	<b>40.40</b>	<b>-</b>	<b>28.34</b>	<b>-</b>

**Note:**

- a) Term loan is secured by hypothecation of trade receivables. Cash credit facility has a pari passu charge on receivables and book debts of present and future.  
b) Details on analysis of borrowings i.e. interest rate, currency and terms of repayments of borrowings:

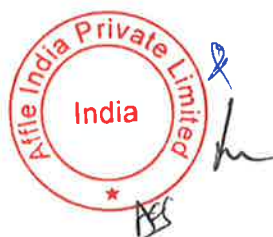
Particulars	Currency	Effective interest rate	Terms of repayment
Term loan from Innoven Capital India Pvt Ltd	INR	19.39%	Fixed equal principal amount of INR 2.07 million is payable along with the interest on a monthly basis, for a period of 30 months starting from October 1, 2015
Term loan from Innoven Capital India Pvt Ltd.	INR	19.51%	Fixed equal principal amount of INR 1 million is payable along with the interest on a monthly basis, for a period of 30 months starting from April 1, 2016
Cash credit facility from HDFC Bank	INR	11.25%	Interest is payable on monthly basis

**15. Provisions**

	Non-Current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
<b>Provision for employee benefits</b>						
Provision for gratuity (Refer to note 28)	8.83	6.98	9.98	0.62	0.50	0.39
Provision for leave benefits	2.59	2.14	-	0.30	0.25	5.75
<b>Total (A)</b>	<b>11.42</b>	<b>9.12</b>	<b>9.98</b>	<b>0.92</b>	<b>0.75</b>	<b>6.14</b>
<b>Other provisions</b>						
Provision for contingency (Refer to note 39)	-	-	-	0.15	0.72	1.05
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.15</b>	<b>0.72</b>	<b>1.05</b>
<b>Total (A+ B)</b>	<b>11.42</b>	<b>9.12</b>	<b>9.98</b>	<b>1.07</b>	<b>1.47</b>	<b>7.19</b>

**Movement in provision for contingency:**

	For the year ended		
	March 31, 2018	March 31, 2017	April 01, 2016
At the beginning of the year	0.72	1.05	2.44
Write off/utilized during the year	(0.57)	(0.33)	(1.39)
	<b>0.15</b>	<b>0.72</b>	<b>1.05</b>



*(Handwritten signature)*

**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**16. Trade Payables**

	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
<b>Current</b>			
Trade payables - dues of micro small and small enterprises	-	-	-
Trade payables - others*	220.24	160.08	229.84
<b>Total</b>	<b>220.24</b>	<b>160.08</b>	<b>229.84</b>

\*There is no amount due to related parties as at March 31, 2018 (March 31, 2017: Nil, April 01, 2016: Nil)

**17. Other Current Financial Liabilities**

	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
<b>At amortised cost</b>			
Current maturities of long term borrowings	-	36.83	36.83
Interest accrued but not due on borrowings	-	0.53	0.97
Salary payable	24.89	19.57	-
Capital creditors	-	-	0.47
Others	-	2.73	-
<b>Total</b>	<b>24.89</b>	<b>59.66</b>	<b>38.27</b>

**Terms and conditions of the above financial liabilities:**

- Trade payables are non-interest bearing and are normally settled on 60-day terms
- For terms and conditions with related parties, refer to note 30

**18. Other Current Liabilities**

	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Statutory dues payable	17.62	11.61	14.66
Advance from customers	3.42	-	4.34
Deferred revenue	-	1.04	-
<b>Total</b>	<b>21.04</b>	<b>12.65</b>	<b>19.00</b>



*Handwritten signature*

*Handwritten signature*

**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**19. Revenue from Operations**

	<u>For the year ended</u> <u>March 31, 2018</u>	<u>For the year ended</u> <u>March 31, 2017</u>
Sale of services		
Consumer platform	769.40	529.81
Enterprise platform	68.16	126.48
<b>Total</b>	<b><u>837.56</u></b>	<b><u>656.29</u></b>



&

hm

AS

*(The space has been intentionally left blank)*

AD

**Afile (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**20. Other Income**

	For the year ended	
	March 31, 2018	March 31, 2017
Interest income on financial assets measured at amortised cost:		
Bank deposits	1.92	1.84
Security deposits	0.18	0.95
Interest income on income-tax refunds	-	1.11
Bad debts recovered	0.30	1.23
Infrastructure support services	7.62	5.66
Liabilities no longer required written back	-	4.08
Gain on disposal of property, plants and equipment and intangible assets (net)	-	0.05
Miscellaneous income	1.20	0.87
	<b>11.22</b>	<b>15.79</b>

**21. Employee Benefits Expense**

	For the year ended	
	March 31, 2018	March 31, 2017
Salaries, wages and bonus	170.26	185.46
Contribution to provident and other funds	5.29	5.94
Gratuity expense (Refer to note 28)	2.51	2.56
Employee share based payment expense	3.11	3.43
Staff welfare expenses	2.88	2.91
	<b>184.05</b>	<b>200.30</b>
Less: Cost capitalised as intangible assets or intangible assets under development (Refer to note 40)	(24.53)	(24.07)
	<b>159.52</b>	<b>176.23</b>

**22. Finance Costs**

	For the year ended	
	March 31, 2018	March 31, 2017
Interest on borrowings	8.84	13.34
Interest on income tax	1.40	1.51
Bank charges	0.41	0.37
Others	0.13	0.64
	<b>10.78</b>	<b>15.86</b>

**23. Depreciation and Amortization Expense**

	For the year ended	
	March 31, 2018	March 31, 2017
Depreciation of property, plant and equipments (Refer to note 3)	1.83	3.50
Amortisation of intangible assets (Refer to note 4)	30.30	19.57
	<b>32.13</b>	<b>23.07</b>



*[Handwritten signature]*

*[Handwritten signature]*

**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**24. Other Expenses**

	For the year ended	
	March 31, 2018	March 31, 2017
Power and fuel	0.59	1.37
Rent	13.34	19.29
Rates and taxes	1.92	4.37
Insurance	0.83	1.52
Repair and maintenance - Others	4.58	6.96
Legal and professional fees (including payment to statutory auditor, refer detail below)*	7.12	14.75
Travelling and conveyance	9.33	11.37
Communication costs	1.36	2.74
Printing and stationery	0.40	0.59
Recruitment expenses	0.25	0.54
Business promotion	32.15	36.63
Impairment allowance of trade receivables and unbilled revenue	11.22	11.21
Advances given written off	0.04	2.10
Loss on disposal of property, plants and equipment and intangible assets (net)	0.06	--
Exchange differences (net)	0.45	2.03
Software license fee	8.89	3.78
Project development expenses	0.55	2.95
Miscellaneous expenses	4.27	4.43
Less: Cost capitalised as intangible assets or intangible assets under development (Refer to note 40)	(10.33)	(5.57)
	<b>86.12</b>	<b>121.06</b>

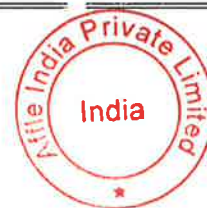
**\*Payment to statutory auditor:**

	For the year ended	
	March 31, 2018	March 31, 2017
<b>As auditors:</b>		
Audit fee	2.25	1.20
<b>In other capacity</b>		
Reimbursement of expenses	0.20	0.27
	<b>2.45</b>	<b>1.47</b>

**25. Components of Other Comprehensive Income**

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

	For the year ended	
	March 31, 2018	March 31, 2017
Re-measurement gains/ (losses) on defined benefit plans	(0.12)	4.53
Income tax effect	0.04	(1.40)
	<b>(0.08)</b>	<b>3.13</b>



Handwritten initials 'HS' in blue ink.

Handwritten initials 'AD' in blue ink.

**26. Earnings Per Share (EPS)**

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

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

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

	For the year ended	
	March 31, 2018	March 31, 2017
Profit attributable to equity holders for basic earnings	88.31	6.12
Effect of dilution	-	-
<b>Profit attributable to equity holders for the effect of dilution</b>	<b>88.31</b>	<b>6.12</b>
Weighted Average number of equity shares used for computing basic earning per share (in million)	24.29	24.29
Effect of dilution	-	-
<b>Weighted average number of equity shares adjusted for the effect of dilution</b>	<b>24.29</b>	<b>24.29</b>
Basic EPS (absolute value in Rs.)	3.64	0.25
Diluted EPS (absolute value in Rs.)	3.64	0.25

**27. Significant Accounting Judgements, Estimates and Assumptions**

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

**Judgements**

In the process of applying the Company's accounting policies, management has not made any significant judgement, that had a significant effect on the amounts recognised in the financial statements.

**Estimates and assumptions**

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

**(a) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company has not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Company. Refer note 37 for further disclosures.

**(b) Allowance for impairment of trade receivables**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience adjusted for forward-looking estimates. Individual trade receivables are written off when management deems them not to be collectible. For details of allowance for doubtful debts please refer to Note 11.



**27. Significant Accounting Judgements, Estimates and Assumptions ("Contd")**

**(c) Income taxes**

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

**(d) Defined benefit plans (gratuity benefits)**

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

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

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

Further details about gratuity obligations are given in Note 28

**(e) Share-based payments**

The grant date fair value of employee stock options granted is recognised as an employee expense over the period that the employee becomes unconditionally entitled to the options. Estimating fair value for the share-based transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based transactions are disclosed in Note 35.

**28. Employee Benefits**

**A. Defined Contribution Plans**

**Provident Fund:**

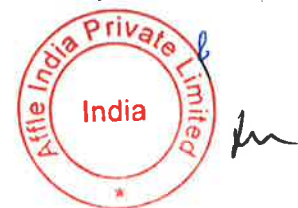
The Company makes contribution towards employees provident fund. The Company has recognised Rs. 5.29 million (March 31, 2017: Rs. 5.94 million) as an expense towards contribution to this plan.

**B. Defined Benefit Plans**

**Gratuity:**

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

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



AS

A



**Aifle (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**28. Employee Benefits ("Contd")**

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

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

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

Particulars	March 31, 2018	March 31, 2017
<b>Balance as at the beginning of the year</b>	7.48	9.89
Current service cost	1.95	1.82
Interest cost	0.56	0.74
Benefits paid	(0.66)	(0.44)
Re-measurement (gains)/losses on obligation	0.12	(4.53)
<b>Balance as at the end of the year</b>	<b>9.45</b>	<b>7.48</b>

**Amount recognised in the statement of profit and loss:**

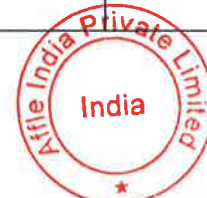
Particulars	March 31, 2018	March 31, 2017
Current service cost	1.95	1.82
Interest cost	0.56	0.74
<b>Net expense recognised in the statement of profit and loss</b>	<b>2.51</b>	<b>2.56</b>

**Amount recognised in other comprehensive income:**

Particulars	March 31, 2018	March 31, 2017
Re-measurement (gains)/losses on arising from change in demographic assumption	-	-
Re-measurement (gains)/losses on arising from change in financial assumption	-	-
Re-measurement (gains)/losses on arising from experience adjustment	0.12	(4.53)
<b>Net expense recognised in other comprehensive income</b>	<b>0.12</b>	<b>(4.53)</b>

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

Particulars	March 31, 2018	March 31, 2017
Discount rate	7.50%	7.50%
Future salary increase	8.00%	8.00%
Withdrawal rate (per annum)		
- Up to 30 years	20.00%	20.00%
- From 31 years to 44 years	10.00%	10.00%
- From 44 years to 58 years	0.00%	0.00%
Retirement age (years)	58	58
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)



**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**28 Employee Benefits ("Contd")**

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

Particulars	March 31, 2018	March 31, 2017
Present Value of Obligation at the end of the period	9.45	7.48
<b>Impact of the change in discount rate</b>		
Impact due to increase of 0.50 %	(0.50)	(0.40)
Impact due to decrease of 0.50 %	0.55	0.44
<b>Impact of the change in salary rate</b>		
Impact due to increase of 0.50 %	0.55	0.43
Impact due to decrease of 0.50 %	(0.50)	(0.40)

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

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

Particulars	March 31, 2018	March 31, 2017
Within the next 12 months (next annual reporting period)	0.62	0.50
Between 2 and 5 years	2.75	1.98
Between 5 and 10 years	6.08	5.00
Beyond 10 years	-	-
<b>Total expected payments</b>	<b>9.45</b>	<b>7.48</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.22 years (March 31, 2017: 7.89 years)

**29. Commitments**

**a. Leases**

**Operating lease: Company as lessee**

The Company has taken office premises on lease. The leases have been entered into for period between five and nine years with renewal option after the initial three years of the each lease. The Company has the option, under some of its leases, to renew the lease for an additional period of 3 years on a mutual consent basis. The lease payments amounting to INR 13.34 million (March 31, 2017: Rs. 19.29 million) has been charged to the statement of profit and loss.

future minimum rentals payable under the operating lease is as follows

Particulars	March 31, 2018	March 31, 2017	April 01, 2016 (Proforma)
Within one year	10.80	11.33	12.52
After one year but not more than five years	1.36	9.44	9.84

**b. Capital commitments**

As at March 31, 2018, the Company has commitments on capital account and not provided for (net of advances) Rs. 6.63 million (March 31, 2017: Rs. 6.30 million, April 01, 2016: Rs. 14.00 million)



**30. Related Party Disclosures**

(i) Names of related parties and related party relationship

Relationship	Name of the related party
(i) Holding company	Affle Holdings Pte. Ltd. Singapore
(ii) Fellow subsidiaries	Affle Limited, United Kingdom Affle Global Pte. Limited (earlier known as Affle Appstudios Pte. Ltd., Singapore)
(iii) Enterprises owned or significantly influenced by key management personnel or their relatives	NewU Health and Fitness Platform Private Limited
(iv) Key management personnel	Anuj Kumar (Managing director) Anuj Khanna Sohun (Director) Kapil Mohan Bhutani (Director) [w.e.f. September 30, 2017] Khushboo Sachdeva (Company Secretary) [till September 18, 2017] Akanksha Gupta (Company Secretary) [w.e.f. January 8, 2018]

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

Particulars	Holding company		Fellow subsidiaries		Enterprises owned or significantly influenced by key management personnel or their relatives	
	For the year ended		For the year ended		For the year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Rendering of service</b>						
Affle Global Pte. Ltd	-	-	38.76	62.39	-	-
NewU Health and Fitness Platform Pvt. Ltd	-	-	-	-	-	0.18
<b>Reimbursement of expenses to the Company</b>						
Affle Holdings Pte. Ltd	-	6.86	-	-	-	-
Affle Global Pte. Ltd	-	-	30.88	20.30	-	-
<b>Reimbursement of expenses by the Company</b>						
Affle Global Pte. Ltd	-	-	9.64	2.88	-	-

**Transaction with Key Management Personnel**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Compensation paid*:</b>		
Anuj Kumar		
Short-term employee benefits	10.50	8.92
Kapil Mohan Bhutani (w.e.f. September 30, 2017)		
Short-term employee benefits	2.86	-
Share based payments	0.08	-



*f*  
*Ju*

*AS*  
*AS*

30. Related Party Disclosures

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Compensation paid*:</b>		
Khushboo Sachdeva (till September 14, 2017) Short-term employee benefits	0.28	0.49
Akanksha Gupta (w.e.f. January 8, 2018) Short-term employee benefits	0.18	-

\* The remuneration to the key management personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

(iii) Balances as at the year end

Particulars	Holding company			Fellow subsidiaries		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Trade receivables</b>						
Affle Global Pte Ltd	-	-	-	3.91	45.39	22.48
Affle Holdings Pte Ltd	-	0.49	-	-	-	-
<b>Other current assets</b>						
Affle Holdings Pte Ltd	-	-	6.71	-	-	-
<b>Share application money pending allotment</b>						
Affle Holdings Pte Ltd	-	-	0.00	-	-	-
Affle Global Pte Ltd	-	-	-	-	-	0.00

Particulars	Key management personnel			Enterprises owned or significantly influenced by key management personnel or their relatives		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Trade receivables</b>						
NewU Health and Fitness Platform Pvt Ltd	-	-	-	0.35	0.35	0.82
<b>Payable to key management personnel</b>						
Amit Sharma	-	-	2.84	-	-	-
Anuj Kumar	-	0.01	0.04	-	-	-
Anurag Singh	-	-	0.01	-	-	-
Akanksha Gupta	0.00	-	-	-	-	-

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

**Terms and conditions of transactions with related parties**

The sale and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Nil, April 01, 2016: Nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates



AS

AO

**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**31. Segment Information**

Ind AS 108 establishes standards for the way that companies report information about operating segments and related disclosures about products and services, geographic areas, and major customers.

The Chief Operating Decision Maker ("CODM") being the Board of Directors ("Board") evaluates the Company's performance and allocates resources based on analysis of various performance indicators pertaining to advertisement and software development segment.

The "Consumer platform" segment provides mobile advertisement services to its customers and is a reseller of advertisement space for online publishing companies.

The "Enterprise platform" segment provides customized mobile app development services.

Transfer prices between the operating segments are set at cost plus appropriate margins. Segment revenue, segment expenses and segment result include transfers between operating segments. Those transfers are eliminated in total revenue/expense/result.

The accounting principles used in preparation of the financial statements are consistently applied to record revenue and expenditure in segment information, and are as set out in the significant accounting policies.

The summary of the segmental information for the year ended and as at March 31, 2018 is as follows:

Particulars	Consumer platform	Enterprise platform	Elimination	Total
<b>Income</b>				
Revenue from external customers	769.40	68.16	-	837.56
Inter-segment revenue	-	-	-	-
Other income	7.62	-	-	7.62
<b>Total income (A)</b>	<b>777.02</b>	<b>68.16</b>	<b>-</b>	<b>845.18</b>
<b>Expenses</b>				
Inventory and data costs	424.27	-	-	424.27
Employee benefits expenses	108.12	51.40	-	159.52
Depreciation and amortisation expenses	32.13	-	-	32.13
Finance cost	10.78	-	-	10.78
Other expenses	75.15	10.97	-	86.12
<b>Total expenses (B)</b>	<b>650.45</b>	<b>62.37</b>	<b>-</b>	<b>712.82</b>
<b>Segment profit (A-B)</b>				<b>132.36</b>

Particulars	Consumer platform	Enterprise platform	Total
Segment assets	225.63	9.79	235.42
<b>Total assets</b>	<b>225.63</b>	<b>9.79</b>	<b>235.42</b>
Segment liabilities	21.98	15.40	37.38
<b>Total liabilities</b>	<b>21.98</b>	<b>15.40</b>	<b>37.38</b>
<b>Capital expenditure:</b>			
Property, plant and equipment	1.97	-	1.97
Intangible assets	38.34	-	38.34
Depreciation and amortisation expenses	32.13	-	32.13
Other non-cash expenses	4.52	0.21	4.73



AS

AD

**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**31. Segment Information**

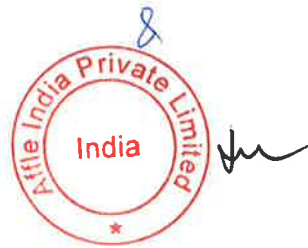
The summary of the segmental information for the year ended and as at March 31, 2017 is as follows

Particulars	Consumer platform	Enterprise platform	Elimination	Total
<b>Income</b>				
Revenue from external customers	529.81	126.48	-	656.29
Inter segment revenue	-	2.47	(2.47)	-
Other income	5.66	-	-	5.66
<b>Total income (A)</b>	<b>535.47</b>	<b>128.95</b>	<b>(2.47)</b>	<b>661.95</b>
<b>Expenses</b>				
Inventory and data costs	323.78	-	-	323.78
Employee benefits expenses	98.24	79.42	(1.43)	176.23
Depreciation and amortisation expenses	20.83	2.24	-	23.07
Finance cost	15.06	0.80	-	15.86
Other expenses	88.01	33.70	(0.65)	121.06
<b>Total expenses (B)</b>	<b>545.92</b>	<b>116.16</b>	<b>(2.08)</b>	<b>660.00</b>
<b>Segment profit (A-B)</b>				<b>1.95</b>

Particulars	Consumer platform	Enterprise platform	Total
Segment assets	142.03	32.11	174.15
<b>Total assets</b>	<b>142.03</b>	<b>32.11</b>	<b>174.15</b>
Segment liabilities	89.13	14.72	103.85
<b>Total liabilities</b>	<b>89.13</b>	<b>14.72</b>	<b>103.85</b>
<b>Capital expenditure:</b>			
Property, plant and equipment	1.77	0.10	1.87
Intangible assets	66.65	-	66.65
Depreciation and amortisation expenses	20.83	2.24	23.07
Other non-cash expenses	0.85	3.95	4.80

The summary of the segmental information for the year ended and as at April 01, 2016 is as follows

Particulars	Consumer platform	Enterprise platform	Total
Segment assets	187.45	37.31	224.76
<b>Total assets</b>	<b>187.45</b>	<b>37.31</b>	<b>224.76</b>
Segment liabilities	86.79	7.05	93.84
<b>Total liabilities</b>	<b>86.79</b>	<b>7.05</b>	<b>93.84</b>



AS

AO

31. Segment Information

Reconciliation to amounts reflected in the financial statements

a. Reconciliation of profit

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Segment profit	132.36	1.95
Interest income on financial assets measured at amortised cost:		
Bank deposits	1.92	1.84
Security deposits	0.18	0.95
Interest income on income-tax refunds	-	1.11
Bad debts recovered	0.30	1.23
Liabilities no longer required written back	-	4.08
Gain on disposal of property, plants and equipment and intangible assets (net)	-	0.05
Miscellaneous income	1.20	0.87
<b>Profit before tax</b>	<b>135.96</b>	<b>12.08</b>

b. Reconciliation of assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Segment assets	235.42	174.15	224.76
Property, plant and equipment	3.67	3.63	5.48
Goodwill	59.24	59.24	59.24
Other intangible assets	88.18	80.14	33.06
Intangible assets under development	-	3.06	39.75
Loans	7.45	6.70	11.62
Other assets	5.17	8.62	7.81
Cash and cash equivalents	136.71	57.89	78.69
Other bank balances	8.20	29.58	-
Interest accrued but not due on deposits	0.10	0.07	0.66
Advances to related parties	-	-	6.71
Other financial assets	-	0.01	-
Non-current investments	0.26	0.20	-
Deferred tax assets	4.94	18.96	20.74
Tax assets	24.35	28.48	28.69
Balance with statutory/government authorities	6.62	16.16	23.10
<b>Total assets</b>	<b>580.31</b>	<b>486.89</b>	<b>540.31</b>

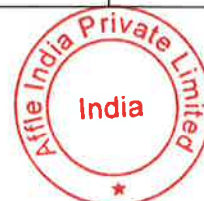
c. Reconciliation of liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Segment liabilities	37.38	103.85	93.84
Trade payables	220.24	160.08	229.84
Other current liabilities	21.04	12.65	19.00
<b>Total liabilities</b>	<b>278.66</b>	<b>276.58</b>	<b>342.68</b>

Geographical information

Year ended and as at March 31, 2018

Particulars	India	Singapore	Others	Total
<b>Revenue from operations</b>				
Sales to external customers	770.22	31.14	36.20	837.56
<b>Other segment information</b>				
Non-current assets (other than financial assets and deferred tax asset)	151.15	-	-	151.15
<b>Capital expenditure:</b>				
Property, plant and equipment	1.97	-	-	1.97
Intangible assets	38.34	-	-	38.34



Handwritten signatures and initials in blue ink, including 'AKS' and 'AD'.

Affle (India) Private Limited  
 Notes forming part of financial statements for the year ended March 31, 2018  
 (Amount in INR million, unless otherwise stated)

31. Segment Information

Year ended and as at March 31, 2017

Particulars	India	Singapore	Others	Total
<b>Revenue from operations</b>				
Sales to external customers	534.68	62.39	59.22	656.29
<b>Other segment information</b>				
Non-current assets (other than financial assets and deferred tax asset)	146.39	-	-	146.39
<b>Capital expenditure:</b>				
Property, plant and equipment	1.87	-	-	1.87
Intangible assets	66.65	-	-	66.65

Year ended and as at April 1, 2016

Particulars	India	Singapore	Others	Total
<b>Other segment information</b>				
Non-current assets (other than financial assets and deferred tax asset)	142.82	-	-	142.82

Information about major customers

The Company derives revenue in excess of 10% from one (March 31, 2017: one) major customer amounting to Rs. 503.10 million (March 31, 2017: Rs. 203.68 million)



(The space has been intentionally left blank)

Handwritten signature/initials.

Handwritten signature/initials.



**Affle (India) Private Limited**

**Notes forming part of financial statements for the year ended March 31, 2018**  
(Amount in INR million, unless otherwise stated)

**32. Statement of Fair Values**

**a) Fair Values**

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

	Carrying value			Fair value		
	As at	As at	As at	As at	As at	As at
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
<b>Financial assets</b>						
<b><u>A. FVTPL financial instruments:</u></b>						
Investments	0.26	0.20	-	0.26	0.20	-
<b><u>B. Amortised Cost:</u></b>						
Security deposit paid	6.81	6.31	11.36	6.81	6.31	11.36
Loan to employees	0.64	0.39	0.26	0.64	0.39	0.26
Trade receivables	158.23	135.30	162.99	158.23	135.30	162.99
Cash and cash equivalents	136.71	57.89	78.69	136.71	57.89	78.69
Other bank balances	8.20	29.58	-	8.20	29.58	-
Other financial assets	77.29	38.93	67.88	77.29	38.93	67.88
<b>Total</b>	<b>388.14</b>	<b>268.60</b>	<b>321.18</b>	<b>388.14</b>	<b>268.60</b>	<b>321.18</b>
<b>Financial liabilities</b>						
<b><u>Amortised Cost:</u></b>						
Borrowings	-	33.60	40.40	-	33.60	40.40
Trade payables	220.24	160.08	229.84	220.24	160.08	229.84
Other financial liabilities	24.89	59.66	38.27	24.89	59.66	38.27
<b>Total</b>	<b>245.13</b>	<b>253.34</b>	<b>308.51</b>	<b>245.13</b>	<b>253.34</b>	<b>308.51</b>

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

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

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

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

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



AFC

AO

32. Statement of Fair Values

b) Fair Value hierarchy

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

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

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

Particulars	Date of valuation	Valuation technique	Inputs used	Total	Fair value measurement using		
					Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>							
<i>FVTPL financial instruments:</i>							
Investment	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.26	-	0.26	-
				<b>0.26</b>	<b>-</b>	<b>0.26</b>	<b>-</b>
<b>Assets measured at amortised cost:</b>							
Security deposit paid	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	6.81	-	6.81	-
Loan to employees	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.64	-	0.64	-
Trade receivables	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	158.23	-	158.23	-
Cash and cash equivalents	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	136.71	-	136.71	-
Other bank balances	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	8.20	-	8.20	-
Other financial assets	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	77.29	-	77.29	-
				<b>387.88</b>	<b>-</b>	<b>387.88</b>	<b>-</b>
<b>Liabilities measured at amortised cost:</b>							
Trade payables	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	220.24	-	220.24	-
Other financial liabilities	March 31, 2018	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	24.89	-	24.89	-
				<b>245.13</b>	<b>-</b>	<b>245.13</b>	<b>-</b>

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



32. Statement of Fair Values

b) Fair Value hierarchy

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

Particulars	Date of valuation	Valuation technique	Inputs used	Total	Fair value measurement using		
					Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>							
<i>FVTPL financial instruments:</i> Investment	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.20	-	0.20	-
				0.20	-	0.20	-
<b>Assets measured at amortised cost:</b>							
Security deposit paid	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	6.31	-	6.31	-
Loan to employees	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.39	-	0.39	-
Trade receivables	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	135.30	-	135.30	-
Cash and cash equivalents	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	57.89	-	57.89	-
Other bank balances	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	29.58	-	29.58	-
Other financial assets	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	38.93	-	38.93	-
				268.40	-	268.40	-
<b>Liabilities measured at amortised cost:</b>							
Borrowings	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	35.60	-	35.60	-
Trade payables	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	160.08	-	160.08	-
Other financial liabilities	March 31, 2017	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	59.66	-	59.66	-
				253.34	-	253.34	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2017.



&  
 de

AO

32. Statement of Fair Values

b) Fair Value hierarchy

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2016:

Particulars	Date of valuation	Valuation technique	Inputs used	Total	Fair value measurement using		
					Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at amortised cost:</b>							
Security deposit paid	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	11.36	-	11.36	-
Loan to employees	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	0.26	-	0.26	-
Trade receivables	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	162.99	-	162.99	-
Cash and cash equivalents	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	78.69	-	78.69	-
Other financial assets	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	67.88	-	67.88	-
				<b>321.18</b>	-	<b>321.18</b>	-
<b>Liabilities measured at amortised cost:</b>							
Borrowings	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	40.40	-	40.40	-
Trade payables	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	229.84	-	229.84	-
Other financial liabilities	April 01, 2016	Discounted cash flow	Prevailing interest rates in the market, Future cash flows	38.27	-	38.27	-
				<b>308.51</b>	-	<b>308.51</b>	-

There have been no transfers between Level 1 and Level 2 during at April 1, 2016



Handwritten signature/initials.

Handwritten signature/initials.

**33. Financial Risk, Management Objectives and Policies**

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

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

**a. Market risk:**

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

**Foreign currency risk**

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

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

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Amount	Foreign currency	Amount	Foreign currency	Amount	Foreign currency
<b>Financial liabilities</b>						
<i>Trade payables</i>						
USD	36.75	0.57	46.58	0.72	54.06	0.81
<i>Trade receivables</i>						
USD	16.47	0.25	57.55	0.89	55.27	0.82
SGD	0.49	0.01	-	-	-	-

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

Particulars	Effect on profit before tax		Effect on pre-tax equity	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Effect of 10% strengthening of INR against USD	(1.98)	1.10	(1.98)	1.10
Effect of 10% weakening of INR against USD	1.98	(1.10)	1.98	(1.10)



*AD*

**33. Financial Risk, Management Objectives and Policies**

**b. Credit Risk**

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

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

All the financial assets carried at amortised cost were into Good category except some portion of trade receivables considered under doubtful category (Refer note 11).

**Trade receivables**

Trade receivables are typically unsecured. Credit risk is managed by the Company 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.

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

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

ECL rate	Particulars	4.82%	22.73%	33.89%	100.00%	Total
		0-90 days	90-180 days	180-360 days	More than 360 days	
Trade receivables as at						
March 31, 2018	Gross carrying amount	149.88	11.50	10.10	12.05	183.53
March 31, 2018	ECL - Simplified approach	7.22	2.61	3.42	12.05	25.30
March 31, 2018	Net carrying amount	142.67	8.89	6.68	-	158.23
March 31, 2017	Gross carrying amount	114.08	24.77	11.46	9.08	159.39
March 31, 2017	ECL - Simplified approach	5.50	5.63	3.88	9.08	24.09
March 31, 2017	Net carrying amount	108.58	19.14	7.58	-	135.30
April 01, 2016	Gross carrying amount	141.34	25.55	13.18	5.19	185.26
April 1, 2016	ECL - Simplified approach	6.80	5.81	4.47	5.19	22.27
April 1, 2016	Net carrying amount	134.54	19.74	8.71	-	162.99

**Reconciliation of impairment allowance on trade receivables**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Opening impairment allowance	24.09	22.27	18.99
Add: Asset originated	11.22	11.21	23.27
Less: write-offs (net of recovery)	(10.01)	(9.39)	(19.99)
<b>Closing impairment allowance</b>	<b>25.30</b>	<b>24.09</b>	<b>22.27</b>

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

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

**Financial instruments and cash deposits**

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



*[Handwritten signature]*

*[Handwritten signature]*

33. Financial Risk, Management Objectives and Policies

c. Liquidity risk

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

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

Particulars	Contractual undiscounted value	0-1 year	1-2 years	2-5 years	More than 5 years
<b>As at March 31, 2018</b>					
Trade payables	220.24	220.24	-	-	-
Other financial liabilities	24.89	24.89	-	-	-
	<b>245.13</b>	<b>245.13</b>	-	-	-
<b>As at March 31, 2017</b>					
Borrowings	75.04	68.84	6.20	-	-
Trade payables	160.08	160.08	-	-	-
Other financial liabilities	22.30	22.30	-	-	-
	<b>257.42</b>	<b>251.22</b>	<b>6.20</b>	-	-
<b>As at April 01, 2016</b>					
Borrowings	93.14	46.44	40.50	6.20	-
Trade payables	229.84	229.84	-	-	-
Other financial liabilities	0.47	0.47	-	-	-
	<b>323.45</b>	<b>276.75</b>	<b>40.50</b>	<b>6.20</b>	-



AS

AS

### 34. Capital Management

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

For the purpose of the Company's capital management, capital includes issued equity capital, retained earnings and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

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

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. The Company's policy is to keep the gearing ratio between 0% and 60%.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Borrowings (Note 14)	-	33.60	40.46
Trade payables (Note 16)	220.24	160.08	229.84
Other financial liabilities (Note 17)	24.89	59.66	38.27
Less: Cash and cash equivalents (Note 12)	(136.71)	(57.89)	(78.69)
<b>Net debts</b>	<b>108.42</b>	<b>161.85</b>	<b>189.42</b>
<b>Total capital</b>	<b>301.65</b>	<b>210.31</b>	<b>197.63</b>
<b>Capital and net debt</b>	<b>410.07</b>	<b>372.16</b>	<b>387.55</b>
<b>Gearing ratio (%)</b>	<b>26%</b>	<b>43%</b>	<b>49%</b>

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

No changes were made in the objectives, policies or processes for managing capital during the last financial years.

### 35. Share-Based Payments

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

#### Description of the plan

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

The option shall vest at the rate of one quarter (1/4) per year starting on every one-year anniversary from the grant date. Vesting of the options granted under the Scheme is conditional only on the key management or employee remaining in the Company at the grant date. Once the options are vested, they are exercisable for a period of ten years. The options may be exercised in full or in part, to purchase a whole number of vested shares not less than 100 shares, unless the number of shares subscribed is the total number available for subscription under the option.

Options are forfeited when the employee leaves the Company before the options vest.

The details of the plan is as follows:

Date of grant	January 15, 2010	May 31, 2011	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016
Exercise price	41.09	62.35	105.40	137.55	132.09	154.96
Options granted	1,042,500	236,250	203,250	30,000	57,000	57,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Validity	10 years	10 years	10 years	10 years	10 years	10 years
Vesting schedule	25% of the options vest every year from the respective grant dates up to the 4th year					

The expenses arising from equity settled share based payment transactions in the year ended March 31, 2018 was Rs. 0.92 million (March 31, 2017: Rs. 1.52 million).





**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**35. Share-Based Payments ("Contd")**

**Movements during the year**

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

Particulars	March 31, 2018		March 31, 2017	
	Number	WAEF	Number	WAEF
Outstanding at April 1	1,276,250	55.71	1,276,500	49.10
Granted during the year	-	-	57,000	154.96
Forfeited during the year	-	-	(57,250)	-
Exercised during the year	-	-	-	-
Exercisable at March 31	1,276,250	55.71	1,276,250	55.71

The weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 6.60 years (March 31, 2017: 7.60 years).

The weighted average fair value of options granted during the year was Rs. Nil (March 31, 2017: Rs. 154.96)

The range of exercise prices for options outstanding at the end of the year was Rs. 41.09 to Rs. 154.96 (March 31, 2017: Rs. 41.09 to Rs. 154.96).

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

Particulars	April 1, 2016	April 1, 2015	April 1, 2014	April 1, 2013	May 31, 2011	January 15, 2010
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	66.1 - 68.9	75.1 - 79.3	75.1 - 79.3	78.4 - 84.2	80	85.0 - 86.8
Risk free interest rate (%)	1.8 - 2.0	1.8 - 2.0	1.8 - 2.0	0.9 - 1.2	2.7 - 3.3	2.6 - 3.2
Expected life of share options (years)	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10	5.5 - 7.10
Weighted average share price (Rs.)	82.13	42.37	16.78	47.29	28.40	35.09
Model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes

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

**Restricted Share Plan**

Under Affle Restricted Share Plan, the employee is not required to pay for the grant of the awards. Awards are forfeited when the employee leaves the Company before the awards vest.

The details of the plan are as follows:

Date of grant	April 1, 2015	April 1, 2016
Options granted	166,428	260,000
Vesting period	10 years	10 years
Method of settlement	Equity	Equity
Share price (Rs.)	42.96	82.39

**Movements during the year**

Particulars	March 31, 2018	March 31, 2017
	Number	Number
Outstanding at April 1	316,055	316,055
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
	316,055	316,055



Handwritten signature in blue ink.

**35. Share-Based Payments ("Contd")**

The expenses arising from equity settled share based payment transactions in the year ended March 31, 2018 was Rs. 2.19 million (March 31, 2017: Rs. 1.91 million)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 7.83 years (March 31, 2017: 8.83 years)

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

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	Nil	Nil	Nil



*AD*

**37. Business Combination**

The scheme of amalgamation ('the Scheme') is for the amalgamation of the AD2C Holdings Private Limited (Transferor Company No. 1), AD2C India Private Limited (Transferor Company No. 2) and Appstudioz Technologies Private Limited (Transferor Company No.3) with Affle (India) Private Limited (Transferee Company or the Company).

All the four companies, i.e. AD2C Holdings, AD2C India, Appstudioz Technologies and Affle India were subsidiaries of the same parent company based out of Singapore. Therefore, the parent company decided to merge its Indian operations to create a single robust entity which would carry on businesses that are integrated and complimentary in nature. Accordingly, their businesses are combined conveniently/ advantageously which is expected to ensure the benefit of the shareholders, the employees and all the stakeholders of the four companies.

The Scheme has been approved by the board of the directors of the Company in their meeting held on May 13, 2015.

**Salient features of the Scheme are:**

- (i) The names of the Transferor Companies stand changed to Affle (India) Private Limited.
- (ii) The Scheme is operative from the appointed date, i.e. April 1, 2015 and is effective from the date on which copies of the orders of Hon'ble High Courts of Bombay, Delhi and Punjab & Haryana sanctioning the Scheme have been filed with the Registrar of Companies, respectively.
- (iii) Authorised share capital of the Transferee Company is the sum total of the authorised share capital of all the four companies.
- (iv) Based on the business valuation of all four companies, equity shareholders of AD2C Holdings are entitled to get 74 equity shares for every 21 equity shares held in AD2C Holdings, equity shareholders of AD2C India are entitled to get 48 equity shares for every 17 equity shares held in AD2C India and equity shareholders of Appstudioz Technologies are entitled to get 586 equity shares for every 5 equity shares held in Appstudioz Technologies of the Transferee Company

Based on above, the Scheme provides for the increase in the issued and paid up equity share capital of the Transferee Company by allotment of 8,464,330 equity shares of Rs. 10/- each amounting to Rs. 84.64 million.

Accordingly, the paid-up equity share capital of the Transferee Company has become Rs. 242.88 million comprising 24.29 million equity shares as at April 1, 2015.

- (v) All assets, liabilities, rights and obligations of the Transferor Companies shall vest with the Transferee Company at fair value as on the appointed date, i.e. April 1, 2015.

The Scheme has been sanctioned by the Hon'ble High Courts of Bombay, Delhi and Punjab & Haryana vide their orders dated August 5, 2016, January 16, 2017 and December 9, 2016 respectively, the copies of which have been filed with the Registrar of Companies on February 7, 2017, February 7, 2017 and January 9, 2017 respectively. Accordingly, the effective date of the Scheme is February 7, 2017 though the appointed date is April 1, 2015

Based on above, the Scheme has been given effect to in these financial statements with retrospective effect from April 1, 2015.

The Scheme has been accounted for using purchase method in accordance with previous GAAP. Accordingly, all the assets and liabilities of the Transferor Companies have been incorporated at fair values as at April 1, 2015, details of which are given below:

Particulars	Appstudioz Technologies	AD2C India	AD2C Holdings	Total
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4.63	1.14	-	5.77
Intangible assets	0.66	19.66	-	20.32
Intangible assets under development	-	7.98	-	7.98
Financial assets				
(i) Loans	6.31	1.71	-	8.02
Deferred tax assets (net)	2.22	3.51	-	5.73
Non-current tax assets (net)	0.05	-	-	0.05
	<b>13.87</b>	<b>34.00</b>	<b>-</b>	<b>47.87</b>
<b>Current assets</b>				
Financial assets				
(i) Trade receivables	8.74	113.82	-	122.56
(ii) Cash and cash equivalents	3.91	13.24	0.87	18.02
(iii) Bank balances other than (iii) above	-	4.98	-	4.98
(iv) Loans	-	0.86	5.12	5.98
(v) Other financial assets	0.70	1.96	-	2.66
Other current assets	0.65	1.97	-	2.62
Current tax asset (net)	-	13.61	1.22	14.83
	<b>14.00</b>	<b>150.44</b>	<b>7.21</b>	<b>171.65</b>
<b>Total assets</b>	<b>27.87</b>	<b>184.44</b>	<b>7.21</b>	<b>219.52</b>



Handwritten signature and initials in blue ink.

37. Business Combination

Particulars	Appstudios Technologies	AD2C India	AD2C Holdings	Total
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long-term provisions	3.70	0.96	-	4.66
	3.70	0.96	-	4.66
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	-	5.12	-	5.12
(ii) Trade Payables dues to others	23.09	142.05	1.97	167.11
(iii) Trade Payables dues of micro small and small enterprises	-	-	-	-
(iv) Other financial liabilities	1.31	-	0.08	1.39
Other current liabilities	0.67	14.62	-	15.29
Short term provisions	0.54	-	-	0.54
	25.61	161.79	2.05	189.45
<b>Total liabilities</b>	29.31	162.75	2.05	194.11
<b>Net assets / (liabilities) acquired</b>	(1.44)	21.69	5.16	25.41

In view of above, goodwill amounting to Rs. 59.24 million has been recorded in the books as at April 1, 2015 on the basis of purchase consideration amounting to Rs. 84.64 million.

**Impairment testing of Goodwill**

Goodwill acquired through business combinations have indefinite life. The Company performed its annual impairment test for years ended March 31, 2018 and March 31, 2017. The Company considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a period of five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Company has extrapolated cashflows beyond 5 years using a growth rate of 4.5% (March 31, 2017: 4.5%).

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

The key assumptions used in the determination of VIU are the revenue annual growth rates and the EBITDA growth rate.

Based on the above assumptions and analysis, no impairment was identified as at March 31, 2018 and March 31, 2017. Further, on the analysis of the said calculation's sensitivity to a reasonably possible change in any of the above mentioned key assumptions / parameters on which the Management has based determination of the recoverable amount, there are no scenarios identified by the Management wherein the carrying value could exceed its recoverable amount.



Handwritten signatures and initials in blue ink, including a large signature at the bottom right.

### 38. First-Time Adoption of Ind AS

These financial statements, for the year ended March 31, 2018 are the first time that the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 135 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS.

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

#### Exemptions applied:

Ind AS 101. First-time adoption of Indian Accounting Standards allows first time adopters of Ind AS certain optional exemptions and mandatory exceptions from the retrospective application of certain Ind AS. The Company has applied the following exemptions and mandatory exceptions in the transition from Indian GAAP to Ind AS.

#### (i) Mandatory exceptions:

##### a) Estimates

The estimates as at April 01, 2016, March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at April 1, 2016 and March 31, 2017.

##### b) De-recognition of financial assets:

The Company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

#### (ii) Optional exemptions:

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

##### a) Deemed cost - Indian GAAP carrying amount: (Property, plant and equipment and Capital-work-in-progress)

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for capital-work-in-progress as well.

Accordingly, the Company has elected to measure all of its property, plant and equipment and capital-work-in-progress at their Indian GAAP carrying value.

##### b) Share based payment

Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. Ind AS 102 Share-based Payment has not been applied to equity instruments of share-based payment transactions that vested before April 1, 2016.



Handwritten signature in blue ink.

33. First-Time Adoption of Ind AS ("Contd")

Reconciliation of equity as at April 01, 2016

Particulars	Footnotes	Amount as per Indian GAAP #	Ind AS adjustments	Amount as per Ind AS
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment		5.48	-	5.48
(b) Capital work-in-progress		1.26	-	1.26
(c) Goodwill	E	44.44	14.80	59.24
(d) Other intangible assets		33.06	-	33.06
(e) Intangible assets under development		39.75	-	39.75
(f) Financial Assets				
(i) Loans	A	7.76	(1.48)	6.28
(g) Deferred tax asset (net)	B	16.06	4.68	20.74
(h) Non current tax asset (net)		3.16	-	3.16
(i) Other non-current assets	A	-	0.86	0.86
		<b>150.97</b>	<b>18.86</b>	<b>169.83</b>
<b>(2) Current assets</b>				
(a) Financial Assets				
(i) Trade Receivables	C	174.31	(11.32)	162.99
(ii) Cash and cash equivalents		78.69	-	78.69
(iii) Bank balances other than (iii) above		-	-	-
(iv) Loans	A	5.67	(0.33)	5.34
(v) Other financial assets	D	70.95	(3.07)	67.88
(b) Other current assets	A	29.17	0.88	30.05
(c) Current tax asset (net)		25.53	-	25.53
		<b>384.32</b>	<b>(13.84)</b>	<b>370.48</b>
<b>Total Assets</b>		<b>535.29</b>	<b>5.02</b>	<b>540.31</b>
<b>EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity Share capital		242.88	-	242.88
(b) Other Equity		(52.70)	7.45	(45.25)
		<b>190.18</b>	<b>7.45</b>	<b>197.63</b>
<b>LIABILITIES</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	E	42.83	(2.43)	40.40
(b) Long term provisions		9.98	-	9.98
		<b>52.81</b>	<b>(2.43)</b>	<b>50.38</b>
<b>(2) Current liabilities</b>				
(a) Financial Liabilities				
(i) Trade Payables dues to others		229.84	-	229.84
(ii) Trade Payables dues of micro small and small enterprises		-	-	-
(iii) Other financial liabilities		38.27	-	38.27
(b) Other current liabilities		19.00	-	19.00
(c) Short term provisions		5.19	-	5.19
		<b>292.30</b>	<b>-</b>	<b>292.30</b>
<b>Total Equity and Liabilities</b>		<b>535.29</b>	<b>5.02</b>	<b>540.31</b>

# Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**Reconciliation of equity as at March 31, 2017**

Particulars	Footnotes	Amount as per Indian GAAP #	Ind AS adjustments	Amount as per Ind AS
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment		3.63	-	3.63
(b) Goodwill	E	29.64	29.60	59.24
(c) Other intangible assets		80.14	-	80.14
(d) Intangible assets under development		3.06	-	3.06
(e) Financial Assets				
(i) Investments		0.20	-	0.20
(ii) Loans	A	7.17	(0.86)	6.31
(f) Deferred tax asset (net)	B	19.88	(0.92)	18.96
(g) Other non-current assets	A	-	0.32	0.32
		<b>143.72</b>	<b>28.14</b>	<b>171.86</b>
<b>(2) Current assets</b>				
(a) Financial Assets				
(i) Trade Receivables	C	147.29	(11.99)	135.30
(ii) Cash and cash equivalents		57.39	-	57.89
(iii) Bank balances other than (iii) above		29.58	-	29.58
(iv) Loans		0.39	-	0.39
(v) Other financial assets	D	40.90	(1.97)	38.93
(b) Other current assets	A	23.95	0.51	24.46
(c) Current tax asset (net)		28.48	-	28.48
		<b>328.48</b>	<b>(13.45)</b>	<b>315.03</b>
<b>Total Assets</b>		<b>472.20</b>	<b>14.69</b>	<b>486.89</b>
<b>EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity Share Capital		242.88	-	242.88
(b) Other Equity		(47.97)	15.40	(32.57)
		<b>194.91</b>	<b>15.40</b>	<b>210.31</b>
<b>LIABILITIES</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	F	6.00	(0.74)	5.26
(b) Long term provisions		9.12	-	9.12
		<b>15.12</b>	<b>(0.74)</b>	<b>14.38</b>
<b>(2) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		28.34	-	28.34
(ii) Trade Payables dues to others		160.08	-	160.08
(iii) Trade Payables dues of micro small and small enterprises		-	-	-
(iv) Other financial liabilities		59.66	-	59.66
(b) Other current liabilities		12.62	0.03	12.65
(c) Short term provisions		1.47	-	1.47
		<b>262.17</b>	<b>0.93</b>	<b>262.20</b>
<b>Total Equity and Liabilities</b>		<b>472.20</b>	<b>14.69</b>	<b>486.89</b>

# Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note



*Handwritten signature*

*Handwritten signature*

**Affle (India) Private Limited**  
**Notes forming part of financial statements for the year ended March 31, 2018**  
**(Amount in INR million, unless otherwise stated)**

**Reconciliation of profit or loss for the year ended March 31, 2017**

Particulars	Footnotes	Amount as per Indian GAAP	Ind AS adjustments	Amount as per Ind AS
<b>I Revenue From Operations</b>		656.29	-	656.29
<b>II Other Income</b>	A	14.82	0.97	15.79
<b>III Total Income (I+II)</b>		<b>671.11</b>	<b>0.97</b>	<b>672.08</b>
<b>IV EXPENSES</b>				
Inventory and data costs		323.78	-	323.78
Employee benefits expense	G and H	168.28	7.95	176.23
Finance costs	F	14.17	1.69	15.86
Depreciation and amortization expense	E	37.87	(14.80)	23.07
Other expenses	A,C and D	120.54	0.52	121.06
<b>Total expenses (V)</b>		<b>664.64</b>	<b>(4.64)</b>	<b>660.00</b>
<b>V Profit before tax (IV-V)</b>		<b>6.47</b>	<b>5.61</b>	<b>12.08</b>
<b>VI Tax expense:</b>	B			
(1) Current tax		1.82	-	1.82
(2) Deferred tax (credit)/ charge		0.30	3.84	4.14
<b>VII Profit for the period (V+ VI)</b>		<b>4.35</b>	<b>1.77</b>	<b>6.12</b>
<b>VII Other Comprehensive Income</b>		-	3.13	3.13
<b>Items that will not be reclassified to profit or loss</b>				
Re-measurement (losses) on defined benefit plans	I	-	4.53	4.53
Income tax effect	B	-	(1.40)	(1.40)
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b>4.35</b>	<b>4.90</b>	<b>9.25</b>

**Total equity reconciliation as at March 31, 2017 and April 1, 2016**

Particulars	Footnotes	As per Indian GAAP as at March 31, 2017	As per Indian GAAP as at April 1, 2016
<b>Total equity under Previous GAAP</b>		<b>194.91</b>	<b>190.18</b>
Security deposit - rental expense	A	(1.97)	(1.03)
Security deposit - unwinding of discount	A	1.91	0.96
Allowance for impairment of trade receivables and unbilled revenue	C and D	(13.96)	(14.39)
Reversal of amortisation of goodwill	E	29.60	14.80
Impact of effective interest rate adjustment on borrowings	F	0.74	2.43
Deferred tax impact	B	(0.92)	4.68
<b>Total equity under Ind AS</b>		<b>210.31</b>	<b>197.63</b>



*Handwritten signature in blue ink.*



**Footnotes to the reconciliation of equity as at April 01, 2016 and March 31, 2017 and profit or loss for the year ended March 31, 2017**

**A. Loans (Security deposits)**

Under Indian GAAP ('Indian GAAP'), the security deposits paid for lease rent are shown at the transaction value whereas under Ind AS, the same are initially discounted and subsequently recorded at amortised cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the security deposits paid towards lease rent is recognized as deferred lease expense and is amortised over the period of the lease term, (along with current and non-current classification). Further, interest is accreted on the present value of the security deposits paid for lease rent.

**B. Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments which are recognised in correlation to the underlying transaction either in retained earnings or as a separate component in equity.

**C. Trade receivables**

Under Indian GAAP, the Company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

**D. Other financial assets (Unbilled revenue)**

Under Indian GAAP, the Company had created provision for impairment of unbilled revenue only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

**E. Business Combinations**

Under Indian GAAP, the goodwill on business combination was amortised to the statement of profit and loss over a period of 4 years. Under Ind AS, the goodwill is tested for impairment at the end of each reporting period and amortisation of goodwill is not allowed. Accordingly, the amortisation of goodwill recognised under Indian GAAP has been reversed.

**F. Borrowings**

Under Indian GAAP, the Company has charged transaction costs incurred in connection with borrowings upfront to the statement of profit and loss. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest rate method.

**G. Share based payments**

As per Ind AS 102 relating to share-based payment, the Company has recorded fair value of options provided to its employees by its ultimate holding company using an appropriate pricing model recognised over the vesting period. Under Indian GAAP, as per the Guidance Note issued by The Institute of Chartered Accountants of India on Accounting for Employee Share-Based Payments, the management was of the opinion that the stock options scheme were managed and administered by the ultimate holding company for its own benefit and do not have any settlement obligations on the Company. Further, the scheme pertains to shares of the ultimate holding company and the impact of compensation benefits in respect of such schemes is assessed and accounted for in the books of the ultimate parent company. Accordingly, the Company was not required to account for such expenses as per the said Guidance Note under Indian GAAP.

**H. Employee benefit expense**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI).

**I. Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**J. Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.



**Affle (India) Private Limited**

Notes forming part of financial statements for the year ended March 31, 2018  
(Amount in INR million, unless otherwise stated)

39. The Company has filed a complaint with the police department for embezzlement of the Company's car and filed the statement of claims to recover full cost of the Company's car amounting to Rs. 0.61 million (March 31, 2017: Rs. 0.61 million). This embezzlement was done by Mr. Saurabh Singh, ex- director of the Company, by transferring the Company's car to the name of his father without any form of consent from the Company. Therefore, the Company has written down the entire net book value of the Company's car amounting to Rs. 0.15 million (March 31, 2017: Rs. 0.22 million) in the books.

**40. Capitalisation of Intangible Assets**

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, allowances and bonus	24.53	24.07
Rent	1.74	1.50
Power and fuel	0.08	0.05
Printing and stationery	0.05	0.08
Travelling and conveyance	-	1.16
Repairs and maintenance - others	0.69	0.78
Communication	0.13	0.30
Others	7.64	1.70
<b>Total</b>	<b>34.86</b>	<b>29.64</b>

41. The share application money pending allotment appearing in the books of the Company amounting to Rs. 0.00 pertains to two subscribers on account of the exchange differences.

42. The Company is in contravention of certain provisions under Foreign Exchange Management Act (FEMA) due to certain administrative and regulatory non-filings by authorized dealer with Reserve Bank of India (RBI) related to non-allotment of equity shares within stipulated time and is in the process of applying for relevant approvals with the regulatory authorities. The Company, basis legal opinion obtained in earlier year, was reasonably confident of receiving approval/ condonation from the regulatory authorities with respect to the above non-compliance after incurring certain penalties. The Holding Company has guaranteed to reimburse any liability arising on the Company on account of such non-compliance and accordingly, the Company has recorded provision and corresponding indemnification assets of amounting Rs 7.50 million as at March 31, 2014. The Company has revised its estimate of provision due to regularization of the non-compliance and accordingly, has reduced the provision and indemnification asset at Rs. 2.20 million and Rs. 0.5 million as at March 31, 2015 and March 31, 2016 respectively.

During the year ended March 31, 2018, RBI has compounded the contravention on payment of Rs. 0.5 million by order dated August 02, 2017.

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

As per our report of even date

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



per Yogesh Midha  
Partner  
Membership No.: 94941  
Place: Gurugram  
Date: June 16, 2018



For and on behalf of the Board of Directors of  
Affle (India) Private Limited  
CIN No. U65990MH1994PTC080451



Anuj Khanna Sohni  
Managing Director & Chief Executive Officer  
[DIN: 01363666]  
Place: Gurugram  
Date: June 16, 2018



Kapil Mohan Bhutani  
Director and Chief Financial Officer  
[DIN: 00554760]  
Place: Gurugram  
Date: June 16, 2018




Anuj Kumar  
Director  
[DIN: 01400273]  
Place: Gurugram  
Date: June 16, 2018



Akanksha Gupta  
Company Secretary  
Membership No. 29443  
Place: Gurugram  
Date: June 16, 2018