INDEPENDENT AUDITORS' REPORT
To the Board of Directors
Dreamfolks Services Limited
(Formerly known as Dreamfolks Services Private Limited)

Report on the Special Purpose Ind AS Standalone Financial Statements

Opinion

We have audited the accompanying special purpose Ind AS standalone financial statements of **Dreamfolks Services Limited (Formerly known as Dreamfolks Services Private Limited)** ("the Company") which comprise the special purpose Ind AS standalone balance sheet as at March 31, 2020, special purpose Ind AS standalone statement of profit and loss, special purpose Ind AS standalone cash flow statement and special purpose Ind AS standalone statement of changes in equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose Ind AS standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Ind AS standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit (including other comprehensive income), its cash flows and changes in the equity for the period ended on that date.

Basis for Opinion

We conducted our audit of the special purpose Ind AS standalone financial statements in accordance with the Standards on Auditing (SAs), specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the special purpose Ind AS standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the special purpose Ind AS standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose interim standalone financial statements.

S S KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

Plot No. 68, Okhla Industrial Area, Phase-III, New Delhi-110020
Tel: +91-11-4670 8888 **E-mail:** info@sskmin.com
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Responsibility of Management and Those Charged with Governance for the Special Purpose Ind AS Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these special purpose Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the Indian accounting standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose Ind AS standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Special Purpose Ind AS Standalone Financial Statements

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

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

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

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose Ind AS standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose Ind AS standalone financial statements, including the disclosures, and whether the special purpose Ind AS standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The comparative financial information of the Company for the year ended March 31, 2019 and the financial information for the year ended March 31, 2020 included in this special purpose Ind AS Standalone financial statements, are based on the previously issued statutory standalone financial statements for the year ended March 31, 2019 and March 31, 2020 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 & audited and reported by erstwhile statutory auditor Wadhwa & Co., Chartered Accountants having firm registration number 021821N who have issued an unmodified audit opinion vide audit report dated September 14, 2019 and December 04, 2020 respectively. Those reports are furnished to us by the management and relied upon by us for the purpose of issuing this report on the special purpose Ind AS standalone financial statements for the year ended March 31, 2020 as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which has been audited by us.

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Restriction on Use

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus (DRHP) / Red Herring Prospectus (RHP) prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For S S Kothari Mehta & Company
Chartered Accountants
Firm's Registration No. 000756N

S S KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: January 10, 2022
UDIN: 22087294AAAAAO2135

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Dreamfolks Services Limited

Special Purpose Standalone Balance Sheet as at March 31, 2020

All amounts are in INR millions unless otherwise stated

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non - current assets			
Property, plant and equipment	3A	52.89	35.51
Capital work in progress	3B	6.40	-
Intangible assets	4	1.18	0.05
Financial assets			
Investments	5	0.05	0.05
Loans	6a)	25.82	18.10
Deferred tax assets (net)	8	21.04	35.46
Other non-current assets	9a)	105.75	68.66
Total non - current assets		**213.13**	**157.83**
Current assets			
Financial assets			
Trade receivables	10	685.24	456.08
Cash and cash equivalents	11	321.25	87.28
Other bank balances	12	-	70.06
Loans	6b)	28.56	9.49
Other current assets	9b)	56.78	94.59
Current tax assets	7	72.65	16.28
Total current assets		**1,164.48**	**733.78**
Total assets		**1,377.61**	**891.61**
EQUITY AND LIABILITIES			
Equity			
Share capital	13	47.50	47.50
Other equity	14	607.71	294.25
Total equity		**655.21**	**341.75**
Liabilities			
Non - current liabilities			
Financial liabilities			
Borrowings	15	20.10	9.64
Provisions	17a)	22.24	10.77
Total non - current liabilities		**42.34**	**20.41**
Current liabilities			
Financial liabilities			
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	19	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	561.37	381.96
Other financial liabilities	16	64.07	103.40
Other current liabilities	18	53.53	43.58
Provisions	17b)	1.09	0.51
Total current liabilities		**680.06**	**529.45**
Total equity and liabilities		**1,377.61**	**891.61**
Significant Accounting Policies	3		

The accompanying notes form an integral part of these special purpose standalone financial statements.

As per our report of even date attached
For S.S. KOTHARI MEHTA & COMPANY
Chartered Accountants
FRN – 000756N

S.S. KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No: 087294
Place: New Delhi
Date: January 10, 2022

For and on behalf of the Board of Directors of
Dreamfolks Services Limited
CIN: U51909DL2008PLC177181

Liberatha Peter Kallat
Managing Director
DIN: 06849062
Place: New Delhi
Date: January 10, 2022

Mukesh Yadav
Director
DIN: 01105819
Place: New Delhi
Date: January 10, 2022

Giya Diwaan

Giya Diwaan
Chief Financial Officer
M.No.: F401518
Place: New Delhi
Date: January 10, 2022

Dreamfolks Services Limited ★

Rangoli Aggarwal
Company Secretary
M.No.: A44096
Place: New Delhi
Date: January 10, 2022

Dreamfolks Services Limited
Special Purpose Standalone Statement of Profit and Loss for the year ended March 31, 2020
All amounts are in INR millions unless otherwise stated

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	20	3,670.43	2,482.81
Other income	21	7.64	2.05
Total income		**3,678.07**	**2,484.86**
Expenses			
Cost of Services	22	2,995.63	2,093.12
Employee benefits expenses	23	179.28	120.31
Finance costs	24	7.05	3.95
Depreciation and amortization expenses	25	15.88	13.60
Other expenses	26	44.66	35.21
Total expenses		**3,242.50**	**2,266.19**
Profit before tax		**435.57**	**218.67**
Tax Expense	27		
Current tax		103.18	86.28
Tax expense related to earlier years		0.00	0.36
Deferred tax (credit)/charge		15.56	(20.69)
Total tax expenses		**118.74**	**65.95**
Profit after tax for the year		**316.83**	**152.72**
Other comprehensive loss			
Items that will not be reclassified subsequently to Profit and Loss			
- Remeasurement loss on defined benefit obligation		(4.51)	(0.60)
- Income tax relating to items that will not be reclassified to Profit and Loss		1.14	0.17
Total other comprehensive income / (loss) for the year		**(3.37)**	**(0.43)**
Total comprehensive income / (loss) for the year		**313.46**	**152.29**
Earnings / (Loss) per equity share (EPS)	28		
Basic		66.70	32.15
Diluted		66.70	32.15
Face Value per share (in Rs.)		10	2
Significant Accounting Policies	3		

The accompanying notes form an integral part of these special purpose standalone financial statements.

As per our report of even date attached
For S.S. KOTHARI MEHTA & COMPANY
Chartered Accountants
FRN – 000756N

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Sunil Wahal
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Place: New Delhi
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Dreamfolks Services Limited
Special Purpose Standalone Cash Flow Statement for the year ended March 31, 2020
All amounts are in INR millions unless otherwise stated

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax	**435.57**	**218.67**
Other Comprehensive income before tax	(4.51)	(0.60)
Adjustments :-		
Depreciation / Amortization	15.88	13.60
Finance expenses on amortisation of security deposits	3.39	0.61
Provision for expected credit Loss	(1.95)	1.97
Finance Costs	3.47	3.21
Interest Income	(3.77)	(1.89)
Profit on sale of Property, Plant and Equipment	(0.01)	-
Operating Profit before working capital changes	**448.07**	**235.57**
Adjustments for working Capital changes:		
(Increase)/Decrease in trade and other financial liabilities	140.06	101.78
(Decrease) / Increase in provisions and other payables	22.00	(47.54)
(Increase)/Decrease in trade and other financial assets	(257.39)	117.49
(Increase)/Decrease in other assets	31.18	(132.62)
Change in working capital	**(64.15)**	**39.11**
Cash generated from operating activities post working capital changes	**383.92**	**274.68**
Income Taxes (Paid)/Received	(159.55)	(99.04)
Net Cash generated from Operating activities (A)	**224.37**	**175.64**
B. Cash Flow from Investing Activities		
Paid towards purchase of property, plant & equipment and investment property	(71.25)	(3.24)
Proceeds from sale of property, plant & equipment	0.01	0.02
Proceeds from / (Investment in) bank deposits	70.06	(70.06)
Interest Received	3.77	1.89
Net Cash generated / (used in) Investing Activities (B)	**2.59**	**(71.39)**
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) of Borrowings	10.48	(51.62)
Finance Cost paid	(3.47)	(3.21)
Net cash generated from / (used in) financing activities (C)	**7.01**	**(54.83)**
Net increase in cash and cash equivalents (A+B+C)	233.97	49.42
Cash and cash equivalents (Opening Balance)	87.28	37.86
Cash and cash equivalents (Closing Balance)	321.25	87.28
Change in Cash & Cash Equivalents	**233.97**	**49.42**

Notes:

1 Components of Cash & Cash Equivalents	As on March 31, 2020	As on March 31, 2019
Cash on hand	0.09	0.22
Balances with banks		
- in current accounts	321.16	87.06
Net Cash & Cash Equivalents	**321.25**	**87.28**

2 Change in liabilities arising from financing activities:

Particulars	As on April 1, 2018	Net cash flow changes	Non cash changes	As on March 31, 2019
Non-current Borrowings including current maturities (Note 15)	72.05	(51.62)	-	20.43

Particulars	As on March 31, 2019	Net cash flow changes	Non cash changes	As on March 31, 2020
Non-current Borrowings including current maturities (Note 15)	20.43	10.48	-	30.91

The accompanying notes form an integral part of these special purpose standalone financial statements.

As per our report of even date attached
For S.S. KOTHARI MEHTA & COMPANY
Chartered Accountants
FRN – 000756N

Sunil Wahal
Partner
Membership No 087294
Place New Delhi
Date January 10, 2022

For and on behalf of the Board of Directors of
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Rangoli Aggarwal
Company Secretary
M.No A44096
Place New Delhi
Date January 10, 2022

All amounts are in INR millions unless otherwise stated

A. Equity Share Capital

Particulars	Amount
Equity shares of INR 10 each issued, subscribed and fully paid up*	
As at April 1, 2018	**47.50**
Changes in equity share capital during the year	-
As at March 31, 2019	**47.50**
Changes in equity share capital during the year	-
As at March 31, 2020	**47.50**

B. Other equity

Particulars	Reserve & Surplus (A)	Items of Other Comprehensive Income: Items that will not be reclassified to Profit and Loss: Remeasurement Gain & Losses on defined benefit obligation (B)	Total (A+B)
As at April 1, 2018	141.96		141.96
Movement during the year			
-Profit for the year	152.72		152.72
-Other Comprehensive Income, net of Income tax		(0.43)	(0.43)
As at March 31, 2019	**294.68**	**(0.43)**	**294.25**
Movement during the year			
-Profit for the year	316.83		316.83
-Other Comprehensive Income, net of Income tax		(3.37)	(3.37)
As at March 31, 2020	**611.51**	**(3.80)**	**607.71**

Significant Accounting Policies 3

The accompanying notes form an integral part of these special purpose standalone financial statements.

As per our report of even date attached
For S.S. KOTHARI MEHTA & COMPANY
Chartered Accountants
FRN – 000756N

S.S. KOTHARI MEHTA & COMPANY * CHARTERED ACCOUNTANTS * NEW DELHI

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Membership No: 087294
Place: New Delhi
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Company Secretary
M.No.: A44096
Place: New Delhi
Date: January 10, 2022

Dreamfolks Services Limited

I. Corporate Information

Dreamfolks Services Limited (formerly known as Dreamfolks Services Private Limited) (the '***Company***') primarily integrates global card networks operating in India, card issuers, and corporate clients including airline companies with various airport lounge operators, transport operators and other airport service providers on a unified technology platform. The Company facilitate customers of Clients access to the airport related services including (i) lounges, (ii) food and beverage (iii) spa, (iv) meet and assist, (v), airport transfer (vi) transit hotels /nap room access, and (vii) baggage transfer, (collectively, the **Services**).

The Company is incorporated and domiciled in India under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 22, DDA Flats, Panchsheel Park, Shivalik Road, Malviya Nagar New Delhi- 110017 India.

The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on October 20 2021 and consequently the name of the Company has been changed to Dreamfolks Services Limited in a fresh certificate of incorporation obtained from the Registrar of Companies on November 23 2021.

The Company's Standalone Financial Statements for the year March 31 2020 was authorized by Board of Directors on January 8 2022.

II. Basis of preparation of Financial information

a. The Special Purpose Standalone Financial Statements of the Company comprises the Statement of Assets and Liabilities as at March 31 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow Statement for the year ended March 31 2020, the Summary Statement of Significant Accounting Policies, and Notes to the Special Purpose Standalone Financial Statements (collectively, the "Standalone Financial Statements"). as approved by the Board of Directors of the Company at their meeting held on January 8 2022.

   These Standalone Financial Statements have been prepared by the Management of the Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') on September 11 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") / Red Herring Prospectus ("DRHP") in connection with its proposed initial public offering of equity shares of face value of Rs. 2 each of the Company for an offer for sale of equity shares held by the selling shareholders (the "Offer"), prepared by the Company in terms of the requirements of:

   i) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"), as amended from time to time;

   ii) Paragraph A of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI"); and

   iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

b. In pursuance to general directions received from Securities and Exchange Board of India (SEBI) vide their email dated October 28 2021, the Company is required to provide Special Purpose Standalone Financial Statements prepared in accordance with Indian Accounting Standard (Ind AS) audited and certified by the statutory auditor(s) who holds a valid certificate by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI). To comply with such requirements, the Company has prepared Special Purpose Standalone Financial Statements for the financial years ending March 31, 2020. The Special Purpose Standalone Financial Statements with required restatement have been included in the Financial statements prepared for the purpose of filing the DRHP/RHP.

c. The accounting policies have been consistently applied by the Company in preparation of the Standalone Financial Statements. This Standalone Financial Statements does not reflect the effects of events that occurred subsequent to the respective dates of board meeting held to approve and adopt the Special Purpose Audited Financial Statements as mentioned above except conversion of Company from Private to Public.

d. The Standalone Financial Statements have been prepared to contain information/disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations:

   i) Adjustments to the profits or losses of the earlier periods for the changes in accounting policies if any to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods and of material errors, if any;

   ii) Adjustments for reclassification/regroupings of the corresponding items of income, expenses, assets and liabilities retrospectively in the years ended March 31, 2020, in order to bring them in line with the groupings as per the Standalone

S.S. KOTHARI MEHTA & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

Dreamfolks Services Limited

Financial Statements of the Company for the period ended March 30, 2021 and the requirements of the SEBI Regulations, if any; and

iii) The resultant impact of tax due to the aforesaid adjustments, if any.

e. The Company follows historical cost convention and accrual method of accounting in the preparation of the financial statements, except otherwise stated.

f. The Standalone Financial Statements are presented in Indian Rupees (INR) and all values are rounded to the nearest millions, expect where otherwise indicated.

III. Summary of significant accounting policies

i) Use of estimates

The preparation of the Financial Information in conformity with the principles of Ind AS requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about the significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Standalone Financial Statements.

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year except for as disclosed in these financial statements.

ii) Critical Accounting Estimates and Judgements

Information about significant areas of estimation /uncertainty and judgements in applying accounting policies that have the most significant effect on the financial statements are as follows: -

Impairment of financial assets

The Company determines the allowance for credit losses based on policy for expected loss provision based on experiencial realisations, current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.
Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the group. The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by internal team and external advisor. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Company believes that the useful life best represents the period over which the Company expects to use these assets.

Contingent liabilities

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Dreamfolks Services Limited

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Income Taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

Leases

Judgment required to ascertain lease classification, lease term, incremental borrowing rate, lease and non-lease component and impairment of ROU

iii) Current versus non- current classification

The Company presents assets and liabilities in the Standalone Financial Statements of assets and liabilities based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- It is expected to be realised 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.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- 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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

iv) Foreign currencies

The Company's Standalone Financial Statements are presented in INR (Indian Rupees), which is also the Holding Company's functional currency. For each entity, the Company determines the functional currency and items included in the summary statements of each entity are measured using that functional currency. Functional currency is the currency of the primary economic environment in which the entities forming part of Company operates and is normally the currency in which the entities forming part of Company primarily generates and expends cash.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Foreign currency rate fluctuations relating to monetary assets and liabilities are restated at the year-end rates. The net gain or loss arising on restatement/ settlement is recorded in Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The related revenue and expense are recognized using the same exchange rate.

v) Fair value measurement

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

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

1. In the principal market for the asset or liability, or
2. 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.

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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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorised 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:

1. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
2. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
3. 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 recognised in the Standalone Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers may be required for valuation of significant assets and liabilities. Involvement of external valuers is decided on the basis of nature of transaction and complexity involved. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the finance team analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. A change in fair value of assets and liabilities is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

vi) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss as incurred. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. Depreciation methods and useful lives are reviewed periodically at each financial year end. The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the Statement of Profit and Loss.

vii) Intangible assets

Design, development and software costs are included in the balance sheet as intangible assets when it is probable that associated future economic benefits would flow to the Company. All other costs on the aforementioned are expensed in the statement of profit and loss as and when incurred. Intangible assets are stated at cost less accumulated amortization and accumulated impairment. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry and known technological advances). Amortization methods and useful lives are reviewed periodically including at each financial year end.

Amortisation method: The Company amortizes intangible assets with a future useful life using the straight-line method over following period:

Class of assets	**Useful life**
Computer Software	3 years

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viii) Depreciation of property, plant and equipment

Depreciation is provided on the written down value method. The estimated useful life of each asset as prescribed under Schedule II of the Companies Act, 2013 and based on technical assessment of internal experts (after considering the expected usage of the asset, expected physical wear and tear, technical and commercial obsolescence and understanding of past practices and general industry experience) are as depicted below:

Particulars	Estimated useful life	Method of depreciation
Land and buildings	60	WDV
Furniture & fixtures	10	WDV
Computers	3	WDV
Office equipment	3-5 Years	WDV
Motor vehicles	8-10 Years	WDV

The residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Lease hold Improvements are amortised on a straight line basis over the lease period.

ix) Leases

The Company's leased assets primarily consist of leases for office space. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- the Company has the right to direct the use of the asset.

(1) Right of use assets

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight - line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflect that the Company exercise a purchase option. The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the accounting policy below on "Impairment of non- financial assets".

(2) Lease liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Company's incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset (or in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero) if the Company changes its assessment of whether it will exercise an extension or a termination or a purchase option. The interest cost on lease liability (computed using effective interest method), is expensed in the statement of profit and loss.

Lease liability and right-of-use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. The Company has applied a practical expedient wherein the Company has ignored the requirement to separate non- lease components (such as maintenance services) from the lease components. Instead, the Company has accounted for the entire contract as a single lease contract.

x) Revenue recognition

The Company has revenue from its clients. The Company recognizes revenue when it satisfies performance obligations under the terms of its contracts, and control of its services is transferred to its clients's users in an amount that reflects the consideration the Company expects to receive from its client in exchange for those services. This process involves identifying the client contract, determining the performance obligations in the contract, determining the contract price, allocating the contract price to the distinct performance obligations in the contract, and recognizing revenue when the performance obligations have been satisfied.

The Company through its platform allows transactions between the consumers of its clients and service operators enlisted with the platform. The Company earns revenue when the consumers of its clients utilize services such as Lounge Access, Meet and Assist, Airport Transfers, Food and Beverages, Door Step Baggage and Spa & Wellness either through the DreamFolks App, DreamFolks Card, Issuer's Card, Issuer's Website, Issuer's web or mobile Application (App) or Interactive voice response (IVR).

Revenue is recognised in the accounting period in which the services are rendered. A receivable is recognised when the services are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Cash received before the goods and services are delivered is recognised as a contract liability.

Financing Components: The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Other income

Interest income from a financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

xi) Retirement and other employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

Long-term employee benefits:

Defined contribution plans: The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans: The Company has Defined Benefit Plan in the form of Gratuity. Gratuity fund is recognised by the Income-tax authorities and administered through an Insurance Fund. Liability for Defined Benefit Plans is provided on the basis of valuations, as at the balance sheet date, carried out by an independent actuary. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate (interest rates of government bonds) that have terms to maturity approximating to the terms of the gratuity. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in 'Other Comprehensive Income' (net of taxes) in the statement of changes in equity and in the balance sheet. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.
The Goup presents the first two components of defined benefit costs in profit or loss in the line item 'Employee Benefits Expense'.

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as under:

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

i) **Share based payments**

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share Options outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The cumulative expense recognised 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 recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

ii) Taxes

(1) Current income tax

Current tax is the tax payable on the taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period, in accordance with the Income Tax Act, 1961.

Current income tax relating to items recognised outside Standalone Financial Statements profit and loss is recognised outside Standalone Financial Statements profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly 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.

Advance taxes and provisions for current income taxes are presented in the statement of assets and liabilities after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

(2) Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are off set where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

iii) Segment reporting

Operating segments are defined as components of an entity where discrete financial information is evaluated regularly by the chief operating decision marke ("***CODM***") in deciding allocation of resources and in assessing performance. The Company's Managing Director is its CODM. The Company's CODM reviews financial information presented on a consolidated basis for the purposes of making operating decisions, allocating resources, and evaluating financial performance. Our business activity primarily falls within a single business and geographical segment, hence, the disclosure of segment-wise information is not applicable under Ind AS 108- 'Operating Segments'.

iv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, except where the results would be anti-dilutive.

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The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any splits and bonus shares issues including for change effected prior to the approval of the Stanalone Financial Statements by the Board of Directors.

v) Provisions and contingent liabilities

(1) Provisions

Provisions are recognised 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 recognised as a finance cost.

(2) Contingent liabilities

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one are more uncertain future events not wholly within the control of the Company, or is a present obligation that arises from past event but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised

vi) 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through statement of profit and loss are recognised immediately in statement of profit and loss.

(1) Financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(a) Classification and subsequent measurement:

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt investments that are designated as at fair value through profit or loss on initial recognition) (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt investments that are designated as at fair value through profit or loss on initial recognition) (i) the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and (ii) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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. Trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets are classified for measurement at amortised cost.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The effective interest method is a method of calculating the amortised cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(b) Equity instruments:

The Company subsequently measures all equity investments in scope of Ind AS 109 at fair value, with net changes in fair value recognised in the statement of profit and loss.

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(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's financial information of assets and liabilities) when: i) The rights to receive cash flows from the asset have expired, or ii) 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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

(d) Impairment of financial assets

The Company recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognised as an impairment gain or loss in the statement of profit and loss.

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past dues;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; - it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime impairment pattern at each balance sheet date, right from its initial recognition.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than past due.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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(2) Financial liabilities

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

(a) Initial recognition and measurement

All financial liabilities are recognised 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, Other Financial Liabilities, Trade Payables and Leases.

(b) Subsequent measurement

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL. For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in 'Other income'. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

(c) Derecognition

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

(3) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

vii) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment based on internal / external factors, an impairment loss is recognised, i.e. wherever the carrying amount of an asset exceeds its recoverable amount.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Company's corporate assets (e.g., office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

viii) Borrowing costs

Borrowing costs are expensed in the period in which they occur. Borrowing cost 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.

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ix) Cash and cash equivalents

Cash and cash equivalent in the statement of assets and liabilities 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 (if any) as they are considered an integral part of the Company's cash management.

x) Cash flow statement

Cash flows are reported using the indirect method, whereby loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

xi) Events occurring after the balance sheet date

Based on the nature of the event, the Company identifies the events occurring between the balance sheet date and the date on which the Standalone Financial Statements are approved as 'Adjusting Event' and 'Non-adjusting event'. Adjustments to assets and liabilities are made for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date or because of statutory requirements or because of their special nature. For non-adjusting events, the Company may provide a disclosure in the Standalone Financial Statements considering the nature of the transaction.

xii) Functional and presentation currency

The Company has determined the currency of the primary economic environment in which the Company operates, i.e., the functional currency, to be Indian Rupees (INR). The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest million up to two decimal places, unless otherwise stated. Consequent to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute amounts.

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All amounts are in INR millions unless otherwise stated

3A Property, Plant and Equipment and Right of use assets

	Property Plant and Equipment					
Particulars	**Land and buildings**	**Furniture & fixtures**	**Computers**	**Office equipments**	**Motor vehicles**	**Total**
Gross block						
As at April 1, 2018	-	**5.51**	**4.23**	**0.71**	**42.39**	**52.84**
Additions	-	2.71	2.76	0.75	5.24	11.46
Disposals	-	-	(0.03)	-	-	(0.03)
As at March 31, 2019	-	**8.22**	**6.96**	**1.46**	**47.63**	**64.27**
Additions	20.79	0.35	1.41	0.33	10.28	33.16
Disposals	-	-	(0.03)	-	-	(0.03)
As at March 31, 2020	**20.79**	**8.57**	**8.34**	**1.79**	**57.91**	**97.40**
Accumulated Depreciation						
As at April 1, 2018	-	**2.33**	**3.21**	**0.53**	**9.18**	**15.25**
Charge for the year	-	1.01	1.11	0.14	11.26	13.52
Disposals	-	-	(0.01)	-	-	(0.01)
As at March 31, 2019	-	**3.34**	**4.31**	**0.67**	**20.44**	**28.76**
Charge for the year	**0.99**	**1.34**	**2.03**	0.49	10.93	15.78
Disposals	-	-	(0.03)	-	-	(0.03)
As at March 31, 2020	**0.99**	**4.68**	**6.31**	**1.16**	**31.37**	**44.51**
Net block						
As at March 31, 2019	-	**4.88**	**2.65**	**0.79**	**27.19**	**35.51**
As at March 31, 2020	**19.80**	**3.89**	**2.03**	**0.63**	**26.54**	**52.89**

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3B Capital Work in progress

Gross block	
As at March 31, 2019	-
Additions	6.39
Capitalised during the year	-
As at March 31, 2020	**6.39**

4 Intangible assets

	Software
Gross block	
As at April 1 2018	**0.06**
Additions	0.13
Disposals	-
As at April 1 2019	**0.19**
Additions	1.23
Disposals	-
As at March 31 2020	**1.42**
Accumulated Depreciation	
As at April 1 2018	**0.06**
Charge for the year	0.08
Disposals	-
As at March 31 2019	**0.14**
Charge for the year	0.10
Disposals	-
As at March 31 2020	0.24
Net block	
As at March 31 2019	**0.05**
As at March 31 2020	**1.18**

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5 Other Investments

	As at March 31, 2020	As at March 31, 2019
Investment in equity instruments of Subsidiaries		
Unquoted		
Dreamfolks Hospitality 9,000 Equity shares (March 31, 2019: 9,000 Equity Shares) of face value of Rs. 10/- each at par)	0.05	0.05
	0.05	**0.05**
Aggregate amount of unquoted investments	0.05	0.05

6 Loans

	As at March 31, 2020	As at March 31, 2019
a) Non - current		
(Unsecured and considered good)		
Security Deposits	25.82	18.10
	25.82	**18.10**
b) Current		
(Unsecured and considered good)		
Security Deposits*	28.56	9.49
	28.56	**9.49**

* Includes related party balance of INR 62.5 million (March 31, 2019: INR 62.5 million) net of IND AS impact.

7 Current tax assets (net)

	As at March 31, 2020	As at March 31, 2019
Income tax assets		
Advance tax and TDS recoverable	175.83	102.56
	175.83	**102.56**
Income tax liabilities		
Provision for income tax	(103.18)	(86.28)
	72.65	**16.28**

8 Deferred tax assets (net)

	As at March 31, 2020	As at March 31, 2019
Deferred tax asset in relation to:		
Provision for employee benefits	5.87	3.29
Property Plant and Equipment	3.70	3.04
IND AS adjustments	11.47	28.56
Expected Credit Loss	0.00	0.57
	21.04	**35.46**

(ii) Movement in deferred tax assets for the year ended March 31, 2020 is as follows:

Description	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing balance
Deferred tax asset / (liabilities) in relation to:				
Provision for employee benefits	3.29	1.44	1.14	5.87
Property Plant and Equipment	3.04	0.66	-	3.70
Other IND AS adjustment	28.56	(17.09)	-	11.47
Expected Credit Loss	0.57	(0.57)		0.00
	35.46	(15.56)	1.14	21.04

(iv) Movement in deferred tax assets for the year ended March 31, 2019 is as follows:

Description	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets in relation to:				
Provision for employee benefits	2.52	0.60	0.17	3.29
Property Plant and Equipment	1.34	1.70	-	3.04
Other IND AS adjustment	10.74	17.82	-	28.56
Expected Credit Loss	-	0.57		0.57
	14.60	20.69	0.17	35.46

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9 Other assets

	As at March 31, 2020	As at March 31, 2019
a) Non-current		
Capital Advances**	55.00	24.55
Prepaid security deposit	50.75	44.11
	105.75	**68.66**
b) Current		
Advances to vendors	4.83	8.39
Balance with statutory authorities	0.98	1.46
Prepaid Expenses	0.57	0.50
Advances to employees	0.36	0.37
Other advances*	50.04	83.87
	56.78	**94.59**

* Includes related party balance of INR 6.27 million (March 31, 2019: INR 32.07 million)
** Includes related party balance of INR 10 million (March 31, 2019:NIL million)

10 Trade Receivables

	As at March 31, 2020	As at March 31, 2019
Trade receivables considered good-unsecured	685.26	458.05
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: ECL provision	(0.02)	(1.97)
	685.24	**456.08**

11 Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- in current accounts	321.16	87.06
Cash on hand	0.09	0.22
	321.25	**87.28**

12 Other bank balances

	As at March 31, 2020	As at March 31, 2019
Balances with bank		
- Bank deposits with maturity more than three months but less than or equal to twelve months	-	70.06
	-	**70.06**

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13 Equity Share capital

	As at March 31, 2020	As at March 31, 2019
Authorised Equity Share Capital		
5,000,000 equity shares of Rs. 10 each (March 31, 2019: 5,000,000 Equity Shares of Rs. 10 each)	50.00	50.00
	50.00	**50.00**
Issued, Subscribed and Fully Paid Up		
4,750,000 equity shares of Rs. 10 each (March 31, 2019: 4,750,000 Equity Shares of Rs. 10 each)	47.50	47.50
	47.50	**47.50**

Notes:

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares outstanding at the beginning of the year	47,50,000	47.50	47,50,000	47.50
Movement during the year	-	-	-	-
Equity shares outstanding at the end of the year	**47,50,000**	**47.50**	**47,50,000**	**47.50**

(b) Terms and rights attached to equity shares and preference shares

The Company has only one class of equity shares having nominal value of Rs 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

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

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	% holding	No of Shares	% holding	No of Shares
Liberatha Peter Kallat	33.00%	1,567,500	33.00%	1,567,500
Dinesh Nagpal	33.00%	1,567,500	33.00%	1,567,500
Mukesh Yadav	34.00%	1,615,000	34.00%	1,615,000

(d) Details of shareholding of promoters

	As at March 31, 2020		
	No. of shares	Amount	% change
Liberatha Peter Kallat	33.00%	1,567,500	-
Dinesh Nagpal	33.00%	1,567,500	-
Mukesh Yadav	34.00%	1,615,000	-

	As at March 31, 2019		
	No. of shares	Amount	% change
Liberatha Peter Kallat	33.00%	1,567,500	-
Dinesh Nagpal	33.00%	1,567,500	-
Mukesh Yadav	34.00%	1,615,000	-

(e) The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/

(f) The Company for the period of five years immediately preceding the reporting date has not:

(i) Allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.

(ii) Allotted fully paid up shares by way of bonus shares except for 4.74 million shares of Rs. 10 each in bonus issue during the financial year 2017-18.

(iii) Bought back any class of shares.

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14 Other equity

Particulars	Reserve & Surplus (A)	Items of Other Comprehensive Income — Items that will not be reclassified to Profit and Loss — Remeasurement Gain & Losses on defined benefit obligation (B)	Total (A+B)
As at April 1, 2018	141.96	-	141.96
-Profit for the year	152.72	-	152.72
-Other Comprehensive Income, net of Income tax	-	(0.43)	(0.43)
As at March 31, 2019	**294.68**	**(0.43)**	**294.25**
-Profit for the year	316.83	-	316.83
-Other Comprehensive Income, net of Income tax	-	(3.37)	(3.37)
As at March 31, 2020	**611.51**	**(3.80)**	**607.71**

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15 Borrowings

	As at March 31, 2020	As at March 31, 2019
a) Non Current		
(Secured, at amortised cost)		
Term loans from bank	14.04	
Vehicle Loans	16.87	20.42
Less: Current maturities of non-current borrowings	(10.81)	(10.78)
	20.10	**9.64**

Notes:

i) The term loan balance as on March 31, 2020, is payable in 103 instalments. The interest on such loan is payable at MCLR - 1Y + 0.90%. The loan has been taken against the security of Company's investment property (Buildings)

ii) The interest on vehicle loans is payable in the range of 7.78% to 9.35% p.a.

16 Other Financial Liabilities

	As at March 31, 2020	As at March 31, 2019
a) Current		
Current maturities of non-current borrowings (Refer note 15)	10.81	10.78
Expense payable	0.82	0.27
Security deposit- Received	2.53	2.53
Dues to employees	3.11	4.91
Bonus Payable	46.80	84.91
	64.07	**103.40**

17 Provisions

	As at March 31, 2020	As at March 31, 2019
a) Non Current		
Provisions for employee benefits		
Gratuity	13.24	6.49
Leave Encashment	9.00	4.28
	22.24	**10.77**
b) Current		
Provisions for employee benefits		
Gratuity	0.44	0.20
Leave Encashment	0.65	0.31
	1.09	**0.51**

18 Other liabilities

	As at March 31, 2020	As at March 31, 2019
Current		
Advance from customers	0.23	-
Statutory dues	36.94	27.81
CSR provision	3.85	2.01
Others	12.51	13.76
	53.53	**43.58**

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19 Trade payables

	As at March 31, 2020	As at March 31, 2019
i. total outstanding dues of micro enterprises and small enterprises	-	-
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	561.37	381.96
	561.37	**381.96**

a) Details of Dues to Micro and Small and Medium Enterprises as per MSMED Act, 2006

The identification of Micro, Small and Medium Enterprises is based on the Management's knowledge of their status. Disclosure is based on the information available with the Company regarding the status of the suppliers as defined under 'The Micro, Small and Medium Enterprises Development Act, 2006'.

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount due to suppliers under MSMED Act	-	-
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/period	-	-
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	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
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	-	-

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20 Revenue from operations	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of services	3,670.43	2,482.81
	3,670.43	**2,482.81**

Notes:

a) Disaggregated revenue information

Type of services		
Lounge fee	3,627.22	2,465.44
Other service fees	43.21	17.37
Total revenues from contracts with customers	**3,670.43**	**2,482.81**

1. The Company's revenue is generated primarily on account of transactions within India
2. The Company's revenue is recognised at a point in time

b) Reconciliation of revenue recognised in statement of profit and loss with the contract price:

Revenue as per Contracted price	3,670.43	2,482.81
Adjustments:		
Rebate	-	-
	3,670.43	**2,482.81**

21 Other income		
Interest income on:		
- fixed deposits with banks	1.85	1.21
- income tax refund	0.11	0.36
Profit on disposal of Fixed Assets	0.01	-
Write back of expected credit loss provision	1.95	-
Foreign Exchange Gain	1.90	-
Finance income on amortisation of security deposits	1.81	0.32
Miscellaneous income	0.01	0.16
	7.64	**2.05**

22 Cost of Services		
Lounge fee and other service related costs	2,995.63	2,093.12
	2,995.63	**2,093.12**

23 Employee benefits expenses		
Salaries, wages and bonus	168.45	117.65
Contribution to provident and other funds	7.47	0.91
Staff welfare expenses	3.36	1.75
	179.28	**120.31**

24 Finance costs		
Interest paid		
-on term loans	3.16	2.99
Other borrowing costs		
-Processing cost	0.31	0.22
-bank charges	0.19	0.13
-finance expenses on amortisation of security deposits	3.39	0.61
	7.05	**3.95**

25 Depreciation and amortization expenses		
Depreciation on Property plant and equipment	15.78	13.52
Amortization of intangible assets	0.10	0.08
	15.88	**13.60**

26 Other expenses		
Rent	1.17	3.58
Repair & maintainance expenses	0.83	2.02
Electricity and water expenses	0.31	0.31
Travelling and conveyance	11.37	10.71
Provision for expected credit loss	-	1.97
Communication expenses	1.00	0.50
Information Technology Expenses	9.39	2.88
Insurance expenses	1.18	1.02
Rates and taxes	0.18	1.20
Legal and professional fees	3.81	2.84
Postage and courier expenses	1.94	0.41
Printing & stationery	1.09	0.82
Corporate social responsibility expenses	3.85	2.01
Business promotion	8.47	2.00
Miscellaneous expenses	0.07	0.24
	44.66	**35.2[illegible]**

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27 Tax expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Income tax recognized in Profit & Loss Account		
Current tax	103.18	86.28
Tax expense related to earlier years	0.00	0.36
Deferred tax (credit)/charge	15.56	(20.69)
	118.74	65.95
Income tax recognized in other comprehensive income		
Remeasurement of defined benefit obligations		
- Items that will not be reclassified to profit or loss	1.14	0.17
Total income tax expense recognized in other comprehensive income	1.14	0.17
Total income tax expense recognized	**117.60**	**65.78**

Reconciliation of income tax expense and the accounting profit multiplied by applicable tax rate for respective year

Profit before tax	435.57	218.67
Statutory tax rate applicable (%)	25.17	29.12
Income tax expense calculated at applicable statutory tax rate	109.63	63.68
Reconciliation Item		
Tax saved on loss for the year	-	-
Change in tax rate	(4.86)	
IND AS adjustments	14.43	(0.78)
Other adjustments	(1.65)	2.21
Tax adustments of earlier years	-	0.36
Permanent difference	0.05	0.32
Total income tax expense recognized in Profit and Loss	**117.60**	**65.78**

28 Earning per Share

Profit after tax for the year	316.83	152.72
Weighted average number of equity shares in calculating basic EPS	47,50,000	47,50,000
Weighted average number of shares considered for computation of diluted EPS	47,50,000	47,50,000
Basic	66.70	32.15
Diluted	66.70	32.15

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29 Financial Risk Management

Financial Risk Factors

The Company's operational activities are expose it to various financial risks, including market risk, credit risk and liquidity risk. The Company realizes that these risks are inherent and integral aspect of business. The Company continues to focus on a system based approach to business risk management. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company ensures that its financial risk activities which 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. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

A Market risk:

Market risk is the risk that the fair value of the future cash flows of the financial instruments will fluctuate because of changes in the prices of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments.

i. Interest Rate Risk :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long and short term borrowings obligations in the nature of term loan, cash credit facilities and working capital loans.

Particulars	Fixed Rate Borrowing	Variable Rate Borrowing	Total Borrowing
As at March 31, 2020	16.87	14.04	30.91
As at March 31, 2019	20.42	-	20.42

Interest rate sensitivity analysis shows that an decrease / increase of fifty basis points in the floating interest rates would result in decrease / increase in the Company's profit / (loss) before tax by approximately INR 0.06 million

Sensitivity on variable rate borrowings	Impact on Statement of Profit & Loss	
	March 31, 2020	March 31, 2019
Interest rate increase by 0.50%	(0.07)	-
Interest rate decrease by 0.50%	0.07	-

ii. Foreign Currency Risk :

The Indian Rupee is the Company's most significant currency. As a consequence, the Company's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly.Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency transactions on account of global operations and transactions in foreign currency with its customers which is presently not significant in comparison to the total operations of the company .

B Credit risk:

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds, when available, are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts.

(ii) Expected Credit loss for loans, security deposits and investments

Particulars	Asset Group	Internal Credit Rating	Estimated Gross Carrying amount at default	Expected probability of loss	Expected Credit loss	Carrying amount net of impairment provision
As at March 31, 2020						
Loss allowance measured at 12 month expected credit loss						
- Financial assets for which credit risk has not increased significantly since initial recognition	Loans - Considered good Security Deposits	-	54.37	0.00%	-	54.37
Loss allowance measured at life - time expected credit loss						
- Financial assets for which credit risk has increased significantly and credit impaired.	Loans - Considered doubtful	-	-	0.00%	-	-
As at March 31, 2019						
Loss allowance measured at 12 month expected credit loss						
- Financial assets for which credit risk has not increased significantly since initial recognition	Loans - Considered good Security Deposits	-	27.59	0.00%	-	27.59
Loss allowance measured at life - time expected credit loss						
- Financial assets for which credit risk has increased significantly and credit impaired.	Loans - Considered doubtful		-	0.00%	-	-

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(iii) Expected credit loss of trade receivables

Particulars	As at March 31, 2020 Upto 6 months	As at March 31, 2020 More than 6 months	As at March 31, 2019 Upto 6 months	As at March 31, 2019 More than 6 months
Gross carrying amount (A)	685.10	0.16	446.71	11.34
Expected Credit Losses (B)	-	(0.02)	-	(1.97)
Net Carrying Amount (A-B)	**685.10**	**0.14**	**446.71**	**9.37**

C Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the Company.

Table hereunder provides the current ratios of the Company as at the year end

The table below summarises the maturity profile of the Company's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

	Particulars	Less than one year	Above 1 year but less than 5 years	Above 5 years	Total
I	**As at March 31, 2020**				
(i)	Borrowings	10.81	13.06	7.04	30.91
(ii)	Other Financial Liabilities	53.26	-	-	53.26
(iii)	Trade payables	561.37	-	-	561.37
(iv)	Leases	-	-	-	-
	Total	**625.44**	**13.06**	**7.04**	**645.54**
II	**As at March 31, 2019**				
(i)	Borrowings	10.78	9.64	-	20.42
(ii)	Other Financial Liabilities	92.62	-	-	92.62
(iii)	Trade payables	381.96	-	-	381.96
(iv)	Leases	-	-	-	-
	Total	**485.36**	**9.64**	-	**495.00**

The table below summarises the undrawn borrowing facilities at the end of reporting period.

Floating Rate

	As at March 31, 2020	As at March 31, 2019
Fund based facility (Working capital loan and cash credit facility)	50.00	50.00
Total	**50.00**	**50.00**

30 Financial Instruments - Disclosure

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

A Financial Instruments by category

Particulars	March 31, 2020 Amortised cost	March 31, 2020 FVTPL	March 31, 2019 Amortised cost	March 31, 2019 FVTPL
Financial Assets				
At Amortised Cost				
Investments	0.05	-	0.05	-
Trade receivables	685.24	-	456.08	-
Cash and cash equivalents	321.25	-	87.28	-
Other Bank Balances	-	-	70.06	-
Loans:				
- Non - Current	25.82	-	18.10	-
- Current	28.56	-	9.49	-
Others Financial Asset				
- Non - Current	-	-	-	-
- Current	-	-	-	-
Total financial assets	**1,060.92**	-	**641.06**	-

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Financial liabilities				
At Amortised Cost				
Borrowings				
- Non - Current	20.10	-	9.64	-
- Current	-	-	-	-
Trade payables	561.37	-	381.96	-
Other financial liabilities				
- Current	64.07	-	103.40	-
Lease liabilities	-	-	-	-
Total financial liabilities	**645.54**	-	**495.00**	-

B Accounting classification and fair values

Particulars	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Assets				
- At Amortised Cost				
Investments	0.05	0.05	0.05	0.05
Trade receivables	685.24	456.08	685.24	456.08
Cash and cash equivalents	321.25	87.28	321.25	87.28
Other Bank Balances	-	70.06	-	70.06
Loans:				
- Non - Current	25.82	18.10	25.82	18.10
- Current	28.56	9.49	28.56	9.49
Others Financial Asset				
- Non - Current	-	-	-	-
- Current	-	-	-	-
Total financial assets	**1,060.92**	**641.06**	**1,060.92**	**641.06**
Financial liabilities				
- At Amortised Cost				
Borrowings				
- Non - Current	20.10	9.64	20.10	9.64
- Current	-	-	-	-
Trade payables	561.37	381.96	561.37	381.96
Other financial liabilities				
- Current	64.07	103.40	64.07	103.40
Lease liabilities	-	-	-	-
Total financial liabilities	**645.54**	**495.00**	**645.54**	**495.00**

C Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Particulars	March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial Assets				
At Amortised Cost				
Investments	-	-	0.05	0.05
Trade receivables *	-	-	685.24	685.24
Cash and cash equivalents	-	-	321.25	321.25
Other Bank Balances	-	-	-	-
Loans:				
- Non - Current	-	-	25.82	25.82
- Current	-	-	28.56	28.56
Total Financial Assets	-	-	**1,060.92**	**1,060.92**
Financial liabilities				
At Amortised Cost				
Borrowings				
- Non - Current	-	-	20.10	20.10
- Current *	-	-	-	-
Trade payables *	-	-	561.37	561.37
Other financial liabilities				-
- Current *	-	-	64.07	64.07
Total Financial liabilities	-	-	**645.54**	**645.54**

All amounts are in INR millions unless otherwise stated

Particulars	March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial Assets				
At Amortised Cost				
Investments	-	-	0.05	0.05
Trade receivables *	-	-	456.08	456.08
Cash and cash equivalents	-	-	87.28	87.28
Other Bank Balances	-	-	70.06	70.06
Loans:				
- Non - Current	-	-	18.10	18.10
- Current	-	-	9.49	9.49
Others Financial Asset				-
- Non - Current	-	-	-	-
- Current *	-	-	-	-
Total Financial Assets	-	-	**641.06**	**641.06**
Financial liabilities				
At Amortised Cost				
Borrowings				-
- Non - Current	-	-	9.64	9.64
- Current *	-	-	-	-
Trade payables *	-	-	381.96	381.96
Other financial liabilities				
- Current *	-	-	103.40	103.40
Total Financial liabilities	-	-	**495.00**	**495.00**

The fair value of financial assets and liabilities are 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.

* The carrying amounts are considered to approximate their fair values largely due to short term maturities of these instruments.

Note:

1 There are no transfers between level 1, level 2 and level 3 during the year.
2 The level 1 financial instruments are measured using quotes in active market.

31 Capital Management

The Company's objectives while managing capital is to safeguard its ability to continue as a going concern and optimise returns for its shareholders. For the purpose of the Company's capital management, capital includes issued equity capital and equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less cash and cash equivalents. The Company's policy is to maintaina stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's funding requirements are met through internal accruals, short-term and long-term borrowings. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

The net gearing ratio at end of the reporting period was as follows.

Particulars	As at March 31, 2020	As at March 31, 2019
Debt (i)	30.91	20.42
Cash & bank balances	321.25	157.34
Net Debt	(290.34)	(136.92)
Total Equity	655.21	341.75
Net gearing ratio	(0.44)	(0.40)

(i) Debt is defined as long-term and short-term borrowings

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32 Contingent Liabilties, capital and other commitments :

	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
Contingent Liabilities	-	-
	-	-

33 Auditor's remuneration (exclusive of Tax):

	As at March 31, 2020	As at March 31, 2019
Statutory Audit fee	0.25	0.25
Tax audit	0.05	0.05
Other services	-	0.53
	0.30	0.83

34 Disclosures as required by Indian Accounting Standard 19 on Employee Benefits :

I. ***Defined contribution plans***

The Company makes contributions towards a provident fund under a defined contribution retirement benefit plan for qualifying employees. The provident fund is administered by Employee Provident Fund Organisation. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

Both the employees and the Company make pre-determined contributions to the provident fund. Amount recognized as expense amounts to INR 70.44 million for the year ended March 31, 2020 (for the year ended March 31, 2019: INR 0.76 million) under contributions to provident and other funds.

II. Gratuity

The Company have an obligation towards gratuity, a defined benefit plan covering eligible employees as per the Payment of Gratuity Act, 1972. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The gratuity benefits are unfunded.

Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

III. Leave plan and compensated absences

The Company has a leave encashment scheme with defined benefits for its employees. The Company makes provision for such liability in the books of accounts on the basis of year end actuarial valuation. No fund has been created for this scheme.

IV. For summarizing the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans, the details are as under

a. Changes in the present value of the defined benefit obligation:

Gratuity

Description	**As at March 31, 2020**	**As at March 31, 2019**
Opening defined benefit obligation	6.69	4.63
Interest cost	0.51	0.36
Total service cost	1.97	1.10
Actuarial (gains)/losses on obligation	4.51	0.60
Closing defined benefit obligation	13.68	6.69

Leave Encashment

Description	**As at March 31, 2020**	**As at March 31, 2019**
Opening defined benefit obligation	4.59	4.00
Interest cost	0.35	0.31
Total service cost	1.97	1.05
Benefits paid	(0.06)	(0.01)
Actuarial (gains)/losses on obligation	2.80	(0.76)
Closing defined benefit obligation	9.65	4.59

b. Changes in fair value of plan assets:

Gratuity

Description	**As at March 31, 2020**	**As at March 31, 2019**
Expected return	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial (gains)/losses	-	-
Closing fair value of plan assets	-	-

Leave Encashment

Description	**As at March 31, 2020**	**As at March 31, 2019**
Opening fair value of plan assets	-	-
Expected return	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial (gains)/losses	-	-
Closing fair value of plan assets	-	-

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c. Net employee benefit expense recognized in statement of profit and loss

Gratuity

Description	As at March 31, 2020	As at March 31, 2019
Total service cost	1.95	1.11
Interest cost	0.51	0.36
Net Actuarial (Gain)/ Loss	-	-
Total Expense	2.46	1.47

Net employee benefit expense recognized in Other Comprehensive income

Gratuity

Description	As at March 31, 2020	As at March 31, 2019
Net Actuarial (Gain)/ Loss	4.51	0.60

Net employee benefit expense recognized in statement of profit and loss

Leave Encashment

Description	As at March 31, 2020	As at March 31, 2019
Total service cost	1.97	1.05
Interest cost	0.35	0.31
Net Actuarial (Gain)/ Loss	2.80	(0.76)
Total Expense	5.12	0.60

d. Amount recognised in the Balance sheet

Gratuity

Description	As at March 31, 2020	As at March 31, 2019
Present value of obligation as at the end of the period	13.68	6.69
Fair value of plan assets as at the end of the period	-	-
Net liability recognized in Balance sheet	13.68	6.69

Leave Encashment

Description	As at March 31, 2020	As at March 31, 2019
Present value of obligation as at the end of the period	9.65	4.59
Fair value of plan assets as at the end of the period	-	-
Net liability recognized in Balance sheet	9.65	4.59

e. The principal assumptions used in determining gratuity for the Company's plans are shown below:

Gratuity

Description	As at March 31, 2020	As at March 31, 2019
Discount rate	6.80% p.a	7.65% p.a
Expected salary increase (%)	2.00% p.a.	5.00% p.a.
Average remaining working lives of employees	23.19 years	23.29 years
Average past service (years)	2.25 years	2.18 years
Demographic Assumptions		
Retirement Age (year)	58 years	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2006 - 08)

Leave Encashment

Description	As at March 31, 2020	As at March 31, 2019
Discount rate	6.80% p.a	7.65% p.a
Expected salary increase (%)	2.00% p.a.	5.00% p.a.
Average remaining working lives of employees	23.19 years	23.29 years
Average past service (years)	2.25 years	2.18 years
Demographic Assumptions		
Retirement Age (year)	58 years	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2006 - 08)

The estimate of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

Sensitivity analysis of the defined benefit obligation:

Gratuity

Description	As at March 31, 2020	As at March 31, 2019
Impact of the change in discount rate		
Present value of obligation at the end of the year	13.68	6.69
Impact due to increase of 0.50%	(0.46)	(0.26)
Impact due to decrease of 0.50%	0.49	0.28
Impact of the change in salary increase		
Present value of obligation at the end of the year	13.68	6.69
Impact due to increase of 0.50%	0.50	0.28
Impact due to decrease of 0.50%	(0.48)	[illegible]

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All amounts are in INR million unless otherwise stated

Leave Encashment

Description	As at March 31, 2020	As at March 31, 2019
Impact of the change in discount rate		
Present value of obligation at the end of the year	9.65	4.59
Impact due to increase of 0.50%	(0.36)	(0.19)
Impact due to decrease of 0.50%	0.37	0.21
Impact of the change in salary increase		
Present value of obligation at the end of the year	9.65	4.59
Impact due to increase of 0.50%	0.39	0.21
Impact due to decrease of 0.50%	(0.37)	(0.20)

Maturity profile of Defined benefit obligations

Gratuity

Description	As at March 31, 2020	As at March 31, 2019
0 to 1 Year	0.44	0.20
1 to 2 Year	0.33	0.16
2 to 3 Year	0.33	0.16
3 to 4 Year	0.33	0.15
4 to 5 Year	4.90	0.15
5 to 6 Year	0.19	0.16
6 Year onwards	7.15	5.72

Leave Encashment

Description	As at March 31, 2020	As at March 31, 2019
0 to 1 Year	0.65	0.31
1 to 2 Year	0.24	0.11
2 to 3 Year	0.23	0.11
3 to 4 Year	0.32	0.11
4 to 5 Year	2.88	0.11
5 to 6 Year	0.14	1.26
6 Year onwards	5.19	2.58

Expected contribution for the next Annual reporting period.

Gratuity

Description	As at March 31, 2020	As at March 31, 2019
Service Cost	2.19	1.41
Net Interest Cost	0.93	0.52
Expected Expense for the next annual reporting period	3.12	1.93

Leave Encashment

Description	As at March 31, 2020	As at March 31, 2019
Service Cost	1.88	1.09
Net Interest Cost	0.66	0.35
Expected Expense for the next annual reporting period	2.54	1.44

35 Related Party Transactions in accordance with Indian Accounting Standard (IND AS) -24

1 Subsidiary company — Dreamfolks Hospitality Private Limited

2 Individual having direct or indirect significant influence over the reporting entity — Mukesh Yadav
Dinesh Nagpal
Liberatha Peter Kallat (Managing Director)

3 Key Managerial Personnel (KMP) — Liberatha Peter Kallat (Managing Director)
Mukesh Yadav
Dinesh Nagpal

4 Enterprises over which individual and their relatives exercise significant influence with whom transactions have taken place during the year

Dreamfolks Estate Private Limited
Urban Land Management Private Limited
Dreamfolks Technologies Private Limited (Since 16.09.2019)
Malibu Estate Dispensary Private Limited
PD Enterprises
Ankur Associates

Dreamfolks Services Limited

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a. Transactions with Enterprises over which individual and their relatives exercise significant influence

Description	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Key Managerial Personnel (KMP)		
Remuneration		
Mukesh Yadav	38.44	26.22
Dinesh Nagpal	38.44	26.22
Liberatha Peter Kallat	38.44	26.22
Reimbursements		
Mukesh Yadav	1.44	1.47
Dinesh Nagpal	1.44	1.20
Liberatha Peter Kallat	1.44	1.37
Advance Taken		
Mukesh Yadav	10.00	4.00
Dinesh Nagpal	10.00	4.62
Liberatha Peter Kallat	50.00	-
Advance recovered		
Mukesh Yadav	(3.50)	(4.00)
Dinesh Nagpal	(18.12)	-
Liberatha Peter Kallat	(57.67)	-
(B) Enterprises over which individual and their relatives exercise significant influence		
Capital advances		
Urban Land Management Private Limited	10.00	-
Rent Paid		
Ankur Associates	0.93	0.93
Software Support Services (Expense)		
Dreamfolks Technologies Private Limited	7.50	-
Reimbursement for expenses paid		
Dreamfolks Technologies Private Limited	0.00	-
Advance given		
Urban Land Management Private Limited	25.00	-
Dreamfolks Estate Private Limited	0.25	0.60
Malibu Estate Dispensary Private Limited	1.00	2.29
Advance repayment received		
Urban Land Management Private Limited	(25.00)	-
PD Enterprises	(6.05)	(0.27)
Dream Folks Estate Private Limited	(1.05)	(0.60)
Malibu Estate Dispensary Private Limited	(19.70)	(0.59)

b. Balances as at March 31, 2020 and March 31, 2019

Description	As at March 31, 2020	As at March 31, 2019
(A) Key Managerial Personnel (KMP)		
Salary recoverable/(payable)		
Dinesh Nagpal	0.50	(0.15)
Liberatha Kallat	0.45	(0.54)
Mukesh Yadav	0.50	(0.55)
Advances given		
Dinesh Nagpal	10.00	18.12
Liberatha Kallat	10.00	17.67
Mukesh Yadav	10.00	3.50
(B) Enterprises over which individual and their relatives exercise significant influence		
Security deposit given		
Urban land management private limited	62.50	62.50
Capital Advance		
Urban land management private limited	10.00	-
Advances given		
PD Enterprises	-	6.05
Dream Folks Estate Private Limited	6.27	7.32
Malibu Estate Dispensary Private Limited	-	18.70
Expenses payable		
Ankur Associates	-	-
Dreamfolks Technologies Private Limited	(1.62)	-
Reimbursement of expenses recoverable		
Dreamfolks Estate Private Limited	-	0.25
Dreamfolks Technologies Private Limited	0.00	-

S.S. KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Dreamfolks Services Limited

36 Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by Board of Directors to make decisions about resources to be allocated to the segments and assess their performance. The Company's business activity falls within a single segment, which is providing airport services to help clients in the card issuance business, BFSI, hospitality and travel industry to achieve their business goals, in terms of Ind AS 108 on Segment Reporting.

In view of the management, there is only one reportable segment as envisaged by Indian Accounting Standard 108, 'Operating Segments' as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. Accordingly, no disclosure for segment reporting has been made in the financial statements.

37 In accordance with the provisions of section 135 of the Companies Act, 2013 ("Act"), the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. During the year, the Committee has approved the budget outlay of Rs. 3.85 million (March 31, 2019: Rs. 2.01 million) for Corporate Social Responsibility (CSR). The Company has made payments in accordance with provisions of the Companies Act 2013 and rules made thereunder.

38 The outbreak of coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations were impacted due to restriction on travel and hotel accommodation during the nationwide lockdown. As a result of lockdown, the volumes for the year ended March 31, 2020 have been impacted. Further, the Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, receivables, and other assets. In developing the assumptions relating to the possible future uncertainties in the global economic condition because of the pandemic, the Company, as at the date of the approval of this standalone financial information has used internal and external sources on the expected future performance of the Company. Based on current indicators of future conditions, the Company expects the carrying amount of these will be recovered and sufficient liquidity is available to fund the business operations. Given the uncertainty because of COVID-19, the final impact on the Company's assets in future may differ from the estimated as at the date of approval of the standalone financial information.

39 In the opinion of the management there is no reduction in value of any assets, unless otherwise stated, in terms of requirement of Indian Accounting Standard – 36 " Impairment of Assets".

40 There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Indian Accounting Standard - 37 'Provisions, Contingent Liabilities & Contingent Assets'.

41 Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable with current year's figures.

As per our report of even date attached
For S.S. KOTHARI MEHTA & COMPANY
Chartered Accountants
FRN – 000756N

S.S. KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Sunil Wahal
Partner
Membership No: 087294
Place: New Delhi
Date: January 10, 2022

For and on behalf of the Board of Directors of
Dreamfolks Services Limited
CIN: U51909DL2008PLC177181

Liberatha Peter Kallat
Managing Director
DIN: 06849062
Place: New Delhi
Date: January 10, 2022

Mukesh Yadav
Director
DIN: 01105819
Place: New Delhi
Date: January 10, 2022

Giya Diwaan
Chief Financial Officer
M.No.: F401518
Place: New Delhi
Date: January 10, 2022

Dreamfolks Services Limited

Rangoli Aggarwal
Company Secretary
M.No.: A44096
Place: New Delhi
Date: January 10, 2022